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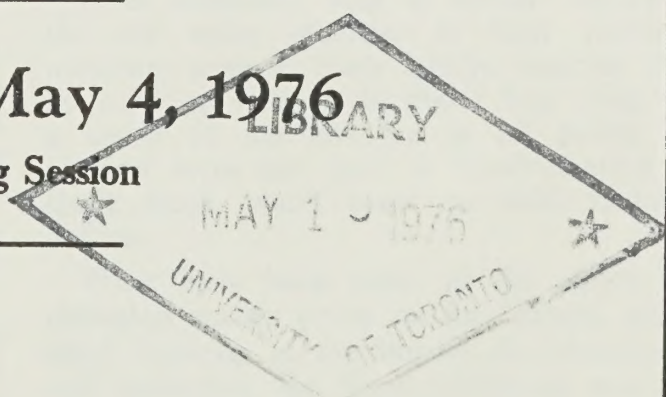
Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, May 4, 1976

Evening Session



Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

TUESDAY, MAY 4, 1976

The House resumed at 8:02 p.m.

BUDGET DEBATE

(continued)

Mr. Speaker: The hon. member for Downsview has the floor.

Mr. di Santo: Mr. Speaker, in resuming my speech relating to the budget, I would like to bring to the attention of the House, which is almost empty I should say at this point, that I was reading part of a document which was presented by an economist of the Treasury of the Province of Ontario, Mr. Clifford Jutlah. I was trying to prove to the House how different is the version of an economist when he doesn't speak officially and how contradictory it is with the official version given to us in the budget by the Treasurer (Mr. McKeough).

In his paper which was presented to the Public Petroleum Association on Nov. 25, 1975, Mr. Jutlah says, "One should note that the business sector purchases of different kinds of energy does not necessarily represent consumption in Ontario." He is talking on the impact of energy on the Ontario economy. I think this is a crucial point which was missed yesterday by the Minister of Energy (Mr. Timbrell) during the special debate on energy. What he didn't underline is the importance of any source of energy in the economy of the Province of Ontario, especially in terms of jobs, in terms of inflation and in terms of the cost of living.

Mr. Jutlah says then: "It does not mean that if you want to get the equivalent per capita consumption in Ontario, that you would divide the 2.8 quadrillion Btu by the eight million residents of Ontario." It is extremely misleading to do that. Some of the more intensive energy users in Ontario in terms of industry are pulp and paper, industrial chemicals, smelting and refining, cement manufacturing, clay products, abrasives, lime, etc. Not only do these industries account for a large proportion of the total energy use, but the energy costs per person employed in this sector are extremely high.

Judging from the 1972 figures—and you can now boost this up by 50 per cent or more—the cost of energy per person in the pulp and paper mills is something like \$3,000 in 1972. Cement manufacturers are paying about \$11,000 in energy purchases per employee; lime manufacturers about \$11,700; and other industries somewhat less. Manufacturing in Ontario accounts for something like one million jobs.

There is one final element I want to place before members before we look at the energy price changes and the Ontario economy. Imports of oil ran something like just over 200 million barrels a year, natural gas about 800 billion cubic feet per year, and coal about 13 million tons per year.

Over 80 per cent of the energy purchased by Ontario comes from outside Ontario. In many senses, Ontario is like Sweden, Switzerland, Greece and other European countries. The difference, however, is that Ontario is in Confederation and most of the energy imported into Ontario comes from other provinces of Canada. That makes a great difference, because you don't have to worry about balance of payments.

It is estimated that if certain countries do not make changes in their national monetary systems their foreign reserves will be used up entirely in about four years as a result of the changes in oil prices. If Ontario were not part of Confederation, I don't think you'd want to hold Ontario dollars.

What have been some of the effects of changing energy prices on the Ontario economy? Looking at the impact on households and businesses, the direct additional cost for oil as a result of the 1974 price increase was \$560 million and for natural gas about \$180 million—a total of \$740 million on an annual basis.

In 1975, we had some changes in the prices of oil and gas resulting in an annual increase of \$300 million for oil and \$300 million for natural gas, and, of course, the excise tax on gasoline raised another \$140 million. Over a period of two years, the additional costs of energy purchases in the

form of oil and natural gas amounted close to \$1.5 billion.

I want to stress that it is not important, from the point of view of the analysis of the sector of the Ontario economy, that these amounts are \$740 million or \$1.5 billion. Ontario is part of a system in the Canadian economy, so if we have outflows for the additional costs of these fuels, a lot of it is returned to the Ontario economy through a variety of means.

What is important, however, is that as a result of the energy price change in 1974, something like \$3.7 billion was added to the total cost of energy in Canada. That is about what the 1973 price schedules would have provided for, and that represents a significant drop or transfer of funds from the non-oil-and-gas-producing sectors and from consumers to the oil-and-gas-producing sectors and government. It is estimated that out of \$1,700 million in 1974 arising from the oil price changes, over \$1 billion went to the producing provinces and over \$0.6 billion went to the federal government. The balance went to the producing companies.

The situation has improved for the oil companies as a result of a number of events since December, 1974. I must add that the oil companies now are waiting "anxiously," as the *Globe and Mail* says today, about how price increases split; that is, the next price increase. But, taking account of the fact that we had these rapid changes in the price of oil and natural gas in 1974 and following through with the facts on industry selling prices to the consumer budget, we found the effect on inflation in Canada for 1974 was about 3.5 per cent. In other words, over one-third of the inflation experienced in 1974 in Canada was due to the increases in prices of oil and gas.

I want to point out that the new price increase which will be discussed and approved at the next first ministers' meeting will be even more disastrous for our economy, because according to the calculations of the federal Minister of Energy, Mines and Resources, Mr. Alastair Gillespie, in his paper, "An Energy Strategy for Canada," he said, and I quote from him:

Through increases in labour costs and prices, the average impact of an increase of \$1 per barrel for oil and an associated increase in the price of natural gas might be to increase the consumer price index by about one per cent.

I think that this is a very conservative calculation because, according to our calculations, the impact on inflation of the new oil

price increase will be in the range of six per cent in the next two or three years. This means our economy will be subjected to an extreme inflationary pressure because of the price increases that the federal government is deciding upon with the oil companies and with the complicity of the government of Ontario. According to Mr. Jutlah, the carry-over into 1975 on the basis of no further price increases would be about 2.1 per cent. But this was an assumption which now is not true as a result of the price increases which will be delivered this week.

What happened in Canada as a result of the price changes—and this is extremely important because it comes from the Ministry of the Treasury—is not vastly different from what happened at the world level. We had a significant inflationary shock, and in addition to Quebec, we had a significant depression of economic activity. In terms of employment, Ontario lost 22,000 jobs in 1974, and as a result of the price changes in 1974, a carryover of 16,000 jobs in 1975. More recent price changes for oil and gas in 1975 would produce a job loss of something like 19,000 jobs over the next 12 months.

[8:15]

We all remember how both the Treasurer and the Premier of Ontario (Mr. Davis) before the last election were out crying about the losses of jobs because of the price increases but they accepted that oil price increase and they will accept the new oil price increase with consequent jobs lost. This time since the price increase will be much higher, according to the calculation of our research staff, there will be a loss of 60,000 to 70,000 jobs in Ontario. That's what this government is giving to the Province of Ontario with its restraint programme and with the budget it's presenting to the province for 1976.

Losses in real economic growth, again according to Mr. Jutlah, also followed as a result of these price changes. In other words, what is significant is the fact that there is a tremendous upset in the regional economic balance of power in Canada as a result of energy price changes and, not only that, but massive shifts of resources from non-oil-and-gas-producing sectors of the economy to producing oil and gas sectors and the government. It is crucial how these funds are used in helping us to meet the period of transitional existence, and this is from Mr. Jutlah. Neither from the budget nor from indications of the debate yesterday has the government of Ontario shown it has any policy at all about how to intervene in this crucial sector of the economy of the province and of the nation.

The Ontario economy is structurally highly precarious. I am going to speak now on the second major factor of the economy of the province. The province's goods-producing sector is dominated by American-owned resource and manufacturing firms. Traditionally, a staples-based economy, Canada has specialized in selling resources and semi-fabricated products to outside metropolitan countries and has imported manufactured goods in return. In 1975, Canada's deficit in its trade in manufactured goods reached a staggering \$10 billion. The goods-producing sector of the Canadian economy with its weak manufacturing components employs a small percentage of the nation's labour force in comparison with other western countries.

Two-thirds of Canadians are employed in non-productive jobs whether in the private or public sector. That really makes me laugh when the Treasurer of the province (Mr. McKeough) is saying that he is imposing restraints on the province and is limiting employment in the public sector because he wants to give back to the private sector what belong to it. The huge nonproductive sector of the Canadian economy places an enormous burden on the productive sector which turns out the products that all consumers in Canada buy.

The ownership of Canadian resource and manufacturing industries by American corporations has provided the institutional basis for reducing Canada to a northern hinterland of the United States. Canada's role as a resource base for the United States has prevented the full development of manufacturing in Canada. This is the real problem we are faced with. Limited industrial development has led to the country's inability to create new jobs at a rate sufficient to keep pace with the growth of the work force.

Furthermore, the retarded growth of the nation's manufacturing sector has resulted in the relative over-development of the nation's service industries, and service industries include all categories of workers who do not produce commodities. Their role in the economy is to increase the efficiency of commodity production or to merchandise the commodities which are produced. For example, teachers and researchers train the labour force and prepare new techniques so that more efficient production can occur. Advertisers, bankers and retailers merchandise the commodities produced and organize the financing of future production.

In spite of the seemingly endless growth of service industry jobs, which now employ two-thirds of Canada's labour force, these jobs depend on the state of the nation's commodity-producing industries. With only one-

third of the country's work force involved in producing commodities, there is a distinct limit to the number of service jobs the nation can support.

The government's economic policy is based on the premise that recovery in the American market is the key to recovery in Canada, and that is stated several times in the budget itself. Wage and salary controls will clearly have the effect of dampening demand in the Canadian market, especially for durable goods. The logic of such control, from the government's point of view, is that holding down Canadian production costs will gain Canada a bigger piece of the American market. The strategy is a classic of continentalism. Ordinary Canadians will have living standards held down so that Canada can compete for American markets and can provide additional capital to generate more investment in an American-dominated economy.

The availability of an economic policy in which the rewards are intended for the corporate sector, most of it controlled from abroad, with costs being paid by ordinary Canadians and the working Canadians, depends on the government's ability to block potential opposition.

It is not easy, as the Prime Minister has pointed out, to persuade people to lower their expectations. This is especially true if people suspect they are being asked to tighten their belts to benefit powerful corporate interests.

If the Treasurer is forecasting a good year for the Ontario economy in 1976, and if he really thinks in terms of continuing expansion reinforced by the recovery of the US economy, we have our doubts. Even if the gross provincial product does grow by 5.3 per cent, as he forecast, we still question the quality of the recovery and, above all, who will benefit from the recovery.

By the Treasurer's own admission, the unemployment rate will not go down. As a matter of fact, in March it increased to 6.2 per cent from 5.9 per cent in February, with 263,000 workers unemployed. Why, Mr. Speaker? Because the government does not encourage the development of modern industries with high technology content. As I said before, the manufacturing sector of Ontario employs only 38 per cent of the working force of the province, while 62 per cent are employed in services. Meanwhile, the US is dumping machinery on the Canadian market and we are unable to export technology-intensive products.

In 1975, we imported \$1,025 million worth of electrical appliances and products but exported only \$425 million, with a deficit of

\$800 million, and that is why we have such a huge trade deficit.

Trying to justify the situation by citing the supposedly lower productivity of Canadian industry, or with wage parity, is inaccurate and ultimately untrue. Now that we are moving into a situation of importing more oil, as the Minister of Energy (Mr. Timbrell) said yesterday, our trade position will be worse unless we re-examine completely our economic strategy.

If this analysis is correct, then the position taken by the Treasurer with regard to the auto pact is understandable. At first glance, this crucial element of the Ontario economy seems to be one of the major concerns of the Conservative government of Ontario, or at least of the 1976 budget. The Treasurer emphatically stated that this is the first comprehensive review of the auto pact since its inception on Jan. 16, 1965. The fact is that the Ontario analysis of the auto pact comes at a very critical moment, when the auto pact is endangering the Canadian economy.

In 1976, Canada will suffer a deficit in the auto pact of \$1.9 billion. If we consider that the total trade deficit of Canada in 1976 was \$10 billion, we realize the magnitude of the auto industry's trade deficit. What is even more important for Ontario is that 90 per cent of the Canadian auto industry is located in this province, which means, in simple terms, that one of the major crisis areas in our economy is right now in Ontario.

The reasons for the auto crisis are multiple. We recognize that Canada is suffering because of the stagnation of the auto industry throughout the world and specifically in the USA. As far as Canada is concerned, we do not realize most of the time that in Ontario 100,000 workers are employed in the auto industry, and what is even more important is that in Ontario there are six jobs related to one job in the auto industry.

The Treasurer's review of the auto pact is, to say the least, meaningless. The auto industry is the uncertain underpinning of Ontario's industrial economy. For reasons that go beyond the problem of the current recession, the industry is likely to experience stagnation that will be profoundly detrimental to the province's long-term economic performance. Southern Ontario is as dependent on the auto industry as large sections of the American midwest. In seven major industrial clusters from Oshawa to Windsor, more than 100,000 workers are directly employed in the production of auto parts, assembled cars and trucks, and textile and rubber products for autos.

The seven clusters are the Oshawa area, Toronto, Oakville to Brampton, the Niagara Peninsula, Kitchener-Waterloo-Cambridge, London-St. Thomas and Windsor-Chatham.

[8:30]

Ontario's auto industry accounts for \$7 billion in output annually, one-ninth of the province's gross product. The industry creates demand for other basic industrial products—steel, glass, plastics, rubber and textiles. It supports a huge industrial infrastructure, including energy and transportation systems, and is the basis for enormous activity in the service and government industries.

The problem for Ontario is that the auto industry is now in a chronic and deepening state of crisis. There are several reasons for this. First, under the Canada-US auto pact the Canadian auto industry has been rationalized to produce for segments of the entire North American market. The four American auto producers now manufacture cars in Canada and the United States for the entire continental market. In 1974, when the US auto market collapsed while Canada's remained firm, the result was a gigantic deficit for Canada of \$950 million in its auto trade with the United States. What happened was simply that more US cars, trucks and auto parts were shipped to Canada, while fewer Canadian cars, trucks and auto parts were shipped to the United States. Thousands of Canadian auto workers were out of work because the US auto market was off, while thousands of auto workers' jobs remained in the United States because the Canadian market held firm. In 1975, the deficit was higher—\$1.7 billion in auto parts trade with the United States—while Canada's surplus in trade in assembled autos will fall to several hundred million dollars.

Under the auto pact, Canada's share of the North American auto market will erode in times of economic crisis because the country depends on an American-owned industry, closely linked with the American government, to dole out its share of continental production.

There are important reasons for believing that the crisis in the American auto industry is by no means a simple result of the current recession. Long gone are the days of unlimited potential for market expansion that existed in the 1920s and, to a lesser extent, in the 1950s and 1960s. The world auto industry is highly overdeveloped in relation to potential markets. In addition, three factors are tending to cut further into market potential: higher fuel prices, fast-rising prices of automobiles and urban congestion which calls

the viability of the car into question in some cities.

The auto industry, long an engine for the expansion of the American economy, is now a stagnant industry hampered by slow-changing technology and poor market potential. Ontario, Canada's manufacturing heartland, has become dependent on a single industry that has passed its peak as a spur to growth. The country's mounting manufacturing trade deficit—this year \$10 billion—points to the crisis. No problem deserves greater attention from Ottawa and Queen's Park in this period of economic reassessment than this crisis in the auto industry and the dependence of Ontario on the industry.

Two years ago, Alastair Gillespie, then Minister of Industry, Trade and Commerce, went to Detroit and pointed out more or less what the Treasurer of Ontario is saying now in the budget. But recognizing the present critical situation is not enough.

I should point out, however, that the Treasurer is quite incorrect in his analysis of the auto pact. The Treasurer identifies the following problem areas: The lack of momentum in productivity growth in the industry; the allocation of activity in auto assembly between the two countries; and the share of North American markets held by Canadian parts manufacturers.

The Treasurer states that the last few years have seen a lack of momentum in productivity growth, particularly in the assembly sector. The auto pact meant dramatic improvements in productivity and once the major reorganizations were in place it should not be surprising that productivity growth slowed down. Moreover, the present economic crisis and the consequent instability in the use of auto capacity further restrained productivity growth. But the Treasurer seems to imply more than this. He seems to suggest that productivity growth in our assembly plants is doing badly relative to that of the US plants. Superficially, the statistics bear this out.

Between 1969 and 1972, the value added per man hour grew faster in the US than in Canada. Close analysis explains the paradox. What the statistics were really showing was not a weaker productivity performance but a changed model mix. In 1969, Canada began to have a larger share of the smaller cars and smaller cars tend to result in lower value added per man hour. A further problem in making such comparison relates to the fact that plants designated for assembly are also involved in other operations and

the extent of such involvement varies from plant to plant.

The question of productivity comes up again when the Treasurer refers to the issue of the price differential. As we have repeatedly pointed out, the money involved is not a minor sum. This differential has by itself more than paid for all of the big four car manufacturers' new investments in Canada over the past decade. In spite of this, the only responses at the federal level have ranged from wishy-washy headnodding to coming to the defence of the corporations, and so has the Treasurer of this province. As a minimum, what we ask is for more public support and the use of the offices of this government to put public pressure on the corporations. Instead, this government immediately diverted the question to the issue of productivity.

The arguments defining this differential as pure ripoff have been outlined and there is no reason to go into them again here. Let me only add that if the price differential between Canada and the United States were simply a compensation for lower productivity, profits in the two countries would end up to be the same. The facts are confirmed by the recent ITC study on the auto pact, which showed profits for major vehicle manufacturers have been substantially higher in Canada than in the US throughout the 1970s.

Moreover, for much of this period, the differential actually increased. Had this differential gone not to the corporations but to the UAW workers, giving auto workers at least a \$2 per hour or 30 per cent increase, would this ministry have played the same low-key role on this question? This is the question we ask the Treasurer of Ontario.

There is one final matter that I'd like to raise. During recessionary times there is excess in-house capacity at the plants, and there is a tendency, therefore, to shift production from independents to the plants. Since this excess capacity is primarily in the US—Canada is under-represented in terms of in-house parts production—this shift also means a shift of production to the US. The recent events at Hayes-Dana are an example of this.

General Motors has decided to shift frames formerly produced in Canada to its own plant in Flint, Mich. Involved is about 40 per cent of Hayes-Dana's current output, meaning the loss of highly skilled jobs, high technology production and export dollars—80 per cent of the output for General Motors went to the US. At a time when our "fair share" demands an increase in parts produc-

tion in Canada, this inability to retain what we already have represents a particularly serious threat to Ontario's industrial base.

The Treasurer states that he does not believe the auto pact should be necessarily renegotiated. He rather would like to have a regular review. The fact is that the government of Ontario has not understood in the past the importance of the auto pact and has always had a complacent attitude. Until recently. We think the auto industry, on the contrary, is a central factor in Ontario's economy.

What is necessary is to introduce new safeguards in the auto pact. What Ontario should ask, and this government should impress on the federal government, is that this country as a whole, and then Ontario, having 90 per cent of the production, should produce as much as we purchase. If that was done in 1975, we would have had at least 30,000 more jobs by now. This is not my evaluation. This is not socialist rhetoric. This is the estimates of Mr. Patrick Lavelle, president of the Automotive Parts Manufacturers' Association.

Mr. Moffatt: He's no socialist.

Mr. di Santo: He is not part of the socialist hordes. Since I said before that 90 per cent of manufacturing takes place in Ontario, then one can figure out what that means for the Ontario economy and Ontario employment. It means at least 27,000 more jobs.

At the next conference of first ministers, the government of Ontario has to ask the federal government to take a firm stand with the view of renegotiating the auto pact, asking for the institution of more stringent safeguards in order to protect Ontario's economy; and, in particular, that the Ontario production of both cars and parts be protected.

The government of Ontario should also press the federal government for a new oil policy, sales tax, and above all, the creation of a fully employed, growing economy. Those are short-term factors that will certainly influence the demand for cars. The Ontario government should take a firm stand for the removal of price differential on Canadian cars.

[8:45]

The government should ban the importation of auto products from countries that deny workers their trade union rights. The government of Ontario should ask definitely for an annual report on the auto pact. There should be ongoing monitoring and public in-

formation on investment patterns, the extent of Canadian content, car prices, etc.

Finally, there should be encouragement of investment and some form of control so that corporations will not be free to shift production and plants without having to answer for the special costs imposed on the workers and the communities involved.

Even though the issue has not been featured prominently in the past, it has two aspects that strongly recommend it this time: auto industry stagnation is central to Ontario's current weak economic performance, and concern about the industry's future is concentrated mainly in Ontario. The fate of the auto industry is an important issue because the health of the economy has emerged as the chief anxiety of Canadians since the inception of the federal government's controls programme last Thanksgiving Day.

The anxiety in Canada about economic policy flows from these hard facts concerning our industrial performance. Politicians of all political stripes are now hastening to say that the key to our future is the building of the productive sectors of our economy. The wisdom that too few Canadians are employed in manufacturing has brought with it another insight—the percentage of people employed in non-productive service and government jobs must be reduced. The chief target for many politicians is government spending. Cutting government jobs has now become the goal of the government of Ontario with the support of the Liberal Party.

Mr. Bullbrook: Be careful, Odoardo.

Mr. di Santo: The Ontario Conservative government has been engaged in high-publicity hospital closings and budget cuts for municipalities. The provincial Liberals, while critical of the specifics of Tory cutbacks, recognize budget cutting as the necessity of the hour. Both the Conservatives and the Liberals are hoping to make the NDP appear to be the big-government party—the party that stands for social assistance programmes that imply even more government spending and expanding the government's payroll.

The NDP is not looking at political convenience. We are showing a new concern for the well-being of the productive sectors of the economy—the sectors to which service industry and government spending must be based.

We recognize what the crucial problems of our economy are at this time.

Mr. Mancini: This is better than you can do, Floyd.

Mr. di Santo: We are ready to co-operate fully to develop a new economic strategy for Ontario—a strategy that unfortunately the government is unable to devise and that you would look for, in vain, in this budget.

The government recognizes there are serious problems with Ontario's economy, but it cannot come to grips with them in any effective way. It endorses the federal government's attempt to place the blame for inflation on the working people. It publicizes cutbacks in politically vulnerable spending areas to disguise the huge deficit caused by its election-year giveaway programme, while it ignores alternative sources of revenue.

It complains bitterly about the energy mess caused jointly by the oil industry and the federal government, but cannot come to support the greatly expanded direct public role that is essential to Canada's energy future. Its attempts to blame the trade deficit under the auto pact on Canadian workers, while ignoring the corporate responsibility, simply underline both the need for and the total lack of, a coherent industrial strategy for this province.

I heartily endorse the expression of non-confidence in the government's budgetary policy contained in the amendment moved by the New Democratic Party at the outset of this debate.

Mr. Speaker: I believe it was with the concurrence of the House that the hon. member for Frontenac-Addington would be allowed to complete his remarks.

Mr. Conway: Back by popular demand.

Mr. Moffatt: Instant replay.

Mr. McEwen: Thank you, Mr. Speaker. It is nice to see you looking so spry this evening.

Mr. Samis: Some humour there, Jack.

Mr. McEwen: When I left off speaking some two weeks ago—this system of ours seems to get tangled up—I was commenting on the action of one Mrs. Santo, who had refused to distribute a plan prepared in the township of Barrie and Kaladar. I wish now to continue to speak in the area of housing.

During the 1975 election campaign the grant of \$1,500 was brought into being, and whether it was an election ploy or not is something else. But I believe, and a good many others believe, that if it was an election ploy at that time it was very costly to the taxpayers. However, it did produce some action.

Mr. Nixon: Spare no expense.

Mr. McEwen: But I have correspondence indicating it is debatable whether our people are receiving the grant. A home and land was purchased by a man from his father, and because it wasn't all paid for initially, the revenue minister refused to pay the grant, and he is still refusing to pay the grant.

Mr. Mancini: Just awful.

Mr. McEwen: So again we get to the bureaucracy, and how much it is really costing us to administer this plan. I believe that all should be treated equally.

Mr. Mancini: That's for sure.

Mr. McEwen: Why should some receive the benefit, while others have to continually quarrel and fight to obtain what is rightfully theirs?

I have also read with interest the housing minister's speech reported on March 30, 1976, in which he stated the housing grants would go on for another year in a modified form. Why "modified," Mr. Speaker, if it helped—if it was successful? Why dilly-dally with something as important as a home for people? Why do we have to read statements in the press after the minister has made them, rather than being advised beforehand in this House? It may be that it is getting close to another election, and I ask, is this another election ploy?

Mr. Conway: Shame, shame.

Mr. McEwen: We can all criticize each other in some area if we cared to, but I am really concerned about the welfare of those who are not earning \$12,000, \$14,000, \$15,000, \$20,000 and \$49,000 a year, such as some of the assistants to the ministers are receiving. I am concerned about those who do not have the opportunity of earning that much money in order to buy a home of their own.

I cite with regret that the Ontario government bought 300 lots at a rumoured price of \$4,900 for the HOME project in one area called Glen Lawrence development. This, in my opinion, was a ridiculously low price for serviced lots. The lots were 60 by 120 ft or so. Without discussing anyone's private business there is some rumour that this firm is now in financial problems due to the Ontario government wheeling and dealing. And, really, they knew that the contractor just couldn't produce serviced lots for that amount. However, that was the deal.

This is public money and at least this system was brought about and brought into being to help those who were not fortunate enough to be in a position to find the funds for a large down payment. I've been told by many people, and it is also my opinion, that public funds should be used only for those who need the assistance. It is now evident that some of the people who have bought lots are now being allowed to resell them at a cost of \$11,000.

That brings me back to my original statement that the delay in home building has been brought about by inflation in the cost of building materials, interest and land, the profit-taking by the Ontario government in projects just such as this, and the delay in the approval of plans for development.

Mr. Mancini: Probably.

Mr. McEwen: Here is a supposedly honourable government profit-gouging. In Toronto, I know of at least one place where the government's profit is somewhere between \$18,000 and \$26,000 per lot. That is in the Malvern project.

The interest is now being controlled by the banks and their profits certainly show they are reaping a harvest. That also indicates there is no control on the government's selling of lots to people who really can't afford this high rate.

Further, with relation to the shortage of housing and expensive housing, and the high cost in all areas, I now want to dwell for just a few minutes on one area that really is causing this considerable amount of inflation. I cite as an example two letters I have received from two different people in the north end of the riding of Frontenac-Addington, where they have applied for a severance.

The Ministry of Transportation and Communications, in its reply on the questionnaire has called for a frontage of 500 ft. A frontage of 500 ft is almost the width of a farm lot. The width of a farm lot, I believe, is somewhere in the neighbourhood of 660 ft, and here is a ministry that's calling for a frontage of 500 ft. I'm waiting for a reply from the Minister of Transportation and Communications (Mr. Snow) to my inquiry that was directed to him, I believe, some time in January or February.

This frontage, in my opinion, is not needed. It is just a means to stop some person from picking a lot in the country and living where he or she wants to live. That old story about education and other costs being too high because people are living in the country

is just a red herring. The high cost of housing is caused by the bureaucracy in the planning branch in the Ministry of Housing, which is controlled, I understand, by the Treasurer (Mr. McKeough). If he continues to dominate the planning branch in the Housing ministry, then I say this government has earned an election and it has earned the right to defeat.

Mr. Martel: Why don't you go with us?

Mr. McEwen: Mr. Speaker, there is the other directive here—I'll just read part of it; I don't want to take up the whole evening—

Mr. Eakins: Go ahead.

Mr. McEwen: —although I'd love to. The land division committee said the proposed lot met all requirements except those of the Ministry of Transportation and Communications, and they wanted the lot to have at least 500 ft of frontage. The lot is an overall acre of land, with about 210 ft fronting on the highway. These people want to build a house of their own. They want to pay for it. They're not asking any assistance, and yet they're dealt with on this basis. A single ministry objected to the severance. All the other 31 agencies agreed to the land division committee's request for a severance.

Now, I wish to say again that I can't see where the Minister of Housing (Mr. Rhodes) is getting anything done or is doing anything himself. It is just possible that he isn't being allowed to. He does look like quite a jovial person and he seems to be enjoying his role and smiling in the House. That's all very nice, Mr. Speaker—

Mr. Bullbrook: He is schizophrenic.

[9:00]

Mr. McEwen: —but at the same time we do need someone who is serious. The Minister of Housing, the Premier (Mr. Davis), the Treasurer and all of those other bodies can give all the lip service they wish to. I am attempting to tell the people that these people are trying to do the best they can but I must say I believe they have their minds in other areas and they are not interested in providing homes for the low wage earners.

The low wage earners don't want a gift. They don't want free housing or to live in apartments, blocked in with no place to go. They want freedom, and for as long as I can remember this has been one of the most important things in the lives of the majority of our people.

I call on the bodies responsible to clean house in the planning in the Ministry of Housing immediately, to get rid of the people responsible for the delays in either improving or rejecting requests for services and requests for plans of development.

I say let us put people into these ministries who are going to give the government back to the people; people who are going to listen to our taxpayers and our citizens and who will leave Niagara and Metro and Pickering alone. We need the action somewhere else.

We continually hear about Metro and about Pickering. We all know that Pickering was bought a long time ago and it is the most beautiful agricultural land we can find anywhere but it is still just sitting there.

We should not leave this with the Ministry of Housing or the Treasurer, but unless we take action, how are we going to correct the problem? People can't continue to buy houses which cost \$50,000, \$60,000, \$70,000 and \$100,000. There is no way the average working person can pay for them. They can't pay the interest and live. We must remember that some of them are going without some of the food they really should have. I think this terrible and I think it is cruel.

I got a shock for a minute when I looked over there. When I looked before there was a smiling man with silvery hair; I look over there and he is almost the youngest man in the House.

Mr. Godfrey: You are aging him rapidly.

Interjections.

Mr. Speaker: Will the hon. member for Frontenac-Addington please continue.

Mr. McEwen: I will, Mr. Speaker from Renfrew North. It is very nice to see you there.

The Minister of Housing has made a statement that he has no intention of lifting any of the 70 land-freeze orders put into effect by this government even though this is an illegal procedure and has been declared so by the courts. Therefore, he, as a representative of the people, is defying the law, which in my opinion is quite an example to set for the people and particularly the youth of this province. How can he, as a minister of the Crown, expect others to have any respect for the law when he himself is openly stating that he does not hold any respect for it?

It appears that this government feels it can ride roughshod over anyone and answer to no one for its actions. Yet other persons breaking the law have to pay the price for doing so.

I would like to remind this government that it is a minority.

Mr. Sweeney: Say it again.

Mr. McEwen: I believe we have the worst Ministry of Housing this province has had for a good many years. It has only been brought about, I am reluctant to say, by the arrogance and the bureaucracy which the ministers responsible have allowed to grow.

Again I say that this government has earned the right to an election and this government has earned the right to defeat.

I will dwell briefly on the problem to show members the problem with planning and zoning which we have in this province. This is from the municipality of North Fredericksburgh. I will quote this:

The Ontario Municipal Board was to meet with North Fredericksburgh township near here to hear objections to the township's restrictive zoning bylaw. The bylaw has come under fire recently and at one meeting of the township council about 150 angry residents stormed the council chambers and demanded a change.

Mr. Speaker, provincial police from Napanee had to be called to the meeting to keep the crowd under control.

At present, the bylaw enforced in the township states that no landowner can sever a piece of property unless that piece is at least 25 acres. It is a terrible thing in this province to get to the state where the people have to go out in droves and cause the police to come out to bring order, in deciding—

Hon. Mr. Taylor: It's a local bylaw and doesn't provide for 25 acres. Get your facts straight.

Mr. McEwen: I have more for you, don't get excited. I'll quote you in a few minutes too.

This bylaw came into being at the suggestion of the Ministry of Housing, which adopted a very restrictive policy. The clerk said the present bylaw could be abandoned if the people wished, but the ministry bylaw which replaces it would be a complete holding bylaw that might freeze township development completely.

I think this is one of the things we all must take a look at, we all must be serious about it and not allow dictatorship to exist to the point where land can be frozen at the whim of a few people—

Interjections.

Mr. McEwen: I'll quote further:

James Taylor, the Prince Edward-Lennox member of the provincial Legislature, has stated to the Napanee Beaver and others that the Ontario Ministry of Housing has no business dictating to the municipality what they can or cannot put in their zoning bylaws.

Hon. Mr. Taylor: And it's not and you know it.

Mr. McEwen: Do you remember that? The township officials of North Fredericksburgh, Richmond and Camden township have different experiences.

"I have reached such a point of frustration, I am so fed up with the Ministry of Housing, that I say to H with it," Bruce Cuthill, Reeve of Richmond township, said about his council's five years of work in designing a zoning bylaw.

"The township has prepared several complete bylaws and I've seen them turned down by the Ministry of Housing. What a member of the Legislature tells us is not what the civil servants tell us," he continues.

"That has been the problem all along. Mr. Taylor told us to put in the bylaw like we wanted and we would get it passed. I was looking for a minister like that for years, but that is not the way it works. Up to 75 per cent of what you put in the bylaw is what the Ministry of Housing wants."

In Camden township a bylaw calling for a minimum size of five acres for a building lot was protested to the point that the township council tried to have it altered to one-acre lots. But even the five-acre lots were too small, according to Wm. D. Dolman, senior planner for the area for the Ministry of Housing.

Mr. Speaker, the residents of the Province of Ontario really do not have a say.

Hon. Mr. Taylor: He doesn't pass the bylaws.

Mr. Good: No, but he has them approved.

Hon. Mr. Taylor: You don't believe that.

Mr. McEwen: To continue:

Two items still require further resolution before this branch would be able to comment favourably to the Ontario Municipal Board.

The planning branch is going to comment to the municipal board, they are going to com-

ment either favourably or object. Now this board, I thought, was impartial.

Mr. Dolman wrote to the township's planner, James McDermott, of the firm of Totten, Sims and Hubicki last Dec. 31. The Ontario Municipal Board has the power to allow or disallow municipal bylaws and the advice of the Ministry of Housing is weighed heavily in the decision.

Hon. Mr. Taylor: Who said that?

Mr. McEwen: Still quoting:

"First and most important, this ministry is not at all satisfied with the five-acre minimum lot size and 330-foot frontage requirements of the bylaw."

A frontage on a lot of 330 feet—half the size of the frontage of a farm lot—with such a five-acre provision might reduce the amount of prime agriculture land taken out of the production in an individual instance; it might even take more land out of production because of the increased number of five-acre lots, as opposed to 25-acre lots, that would be purchased. What it really means is that they are attempting to freeze any building, except where certain people request it and demand it.

There has been wide publicity of a controversy in North Fredericksburgh township over a land-use bylaw which calls for 25-acre lots in some instances and for five-acre lots elsewhere and which designates nearly all land within 50 ft of the high-water mark along the water as residential. Township officials are saying that they feel they are forced into some of the bylaw stipulations by the Ministry of Housing; and the 25-acre lot size was one of the minister's main points, even though the councillors say they didn't want that.

I want to go back to February, 1975, when all the reeves, mayors, clerks, etc., were called to a big meeting in Toronto to be given the glad tidings of a big event. We were told that 10,000 acres of land was going to be purchased in Prescott. It was really a political do.

At that meeting there was about 10 minutes allowed for questions. I remember one man asked the Minister of Housing at that time, the member for Carleton-Grenville (Mr. Irvine), "What about the freeze on land other than 25-acre lots?" That minister's comment that day was that in two weeks his staff would be directed to eliminate all freezing of land in the 25-acre lot area. Today, it still exists and the same man, at

a later date, without consulting the municipalities of Oso and South Sherbrooke, placed the freeze on 25-acre lot severances in those two municipalities.

Again, I am pointing out the bureaucracy and the reason for the cost of housing and for the cost of lots. Sheffield township farther to the north and not being developed as quickly as the southern area of Lennox and Addington, has not yet been approached by the Minister of Housing. The local council is not planning to start working on a bylaw at this time. "We are not working on a bylaw precisely because of the trouble we heard Camden East, Richmond and North Fredericksburgh are having with the ministry." That is what the reeve stated.

Here's another brief comment from a person who said he owned a piece of rock in North Fredericksburgh. He was at this meeting and said he was angry, yes, and why not. The gentleman went on to say that he claimed a taxpayer's rights to voice his opinion about what's done with his land. He said he had the right to discuss it and shouldn't have someone demand what is going to be done with it.

My particular fair-sized piece of property in the rural zone has emerged from this bylaw in a complete state of "freeze". It left me unable to enlarge my home, barn or build a new one, or do a solitary thing to expand or improve present farming operations. Besides this, I have considerable lakefront property (in acreage), over which I have laboured hard this past year to clear and beautify, and I can't touch it, according to these new restrictions. No dock, boathouse, summer residence, etc., and, even more important, a place to enjoy ourselves.

Owning land today should be a security worth more than money in the bank. If the "for sale" signs should go up on my property tomorrow, it would have to be a rare person indeed who would buy it "as is—and forever shall be." Is it any wonder my "pet piece of rock" gave birth to a pet peeve? Angry, yes—and why not? If this bylaw is not revoked, you can put a sign on the township hall of North Fredericksburgh to read: "This is where freedom died—1976."

I can go on and on about the same thing. The same thing happened in other small municipalities, with township councils and city councils, and the people are not getting an answer. They are not being given any consideration. They are being delayed in the approval of plans. The cost of the land, the

cost of interest on mortgages, the cost of building materials and so on are getting so out of line that the average person can only throw up his hands and say, "Give me something free. Give me some house to put my children under. Give me a roof of some kind."

It's a terrible situation to be in, yet we go on to hear about the cheaper lots, cheaper homes.

[9:15]

I could go on at considerable length on this. I want to just point out three items which I think should be of great interest to the general public.

In one area, the minister really hasn't come out with a programme, although he did mention in the press and so on, and I believe in the House once, that they had a study on the feasibility of building cheaper homes. I don't think it's anything definite yet although it might be sprung on us anytime.

The thing that really bothers me is, how cheaply can one build a house? What can one do? Engineering costs are pretty well set. The cost of building materials is set. What are we going to have? Are we going to have a paper box house for some people? Do we want to shove them into some sort of house of this type? Are we going to have rooms of possibly six by six, just wide enough for a bed to get in there; maybe seven feet wide or something like this?

They even suggest in some areas here that we are going to have lot sizes with a frontage of 12 ft. Just imagine a house 12 ft wide, and one goes in there, there's a hall there; what else does one have? One would be lucky to get in and get out again.

Where are we going to have the parking on lots where the houses are 12 ft wide? Where are we going to park the cars? Where are we going to have the parkland? They also state that we can do with less parkland. We can cut down the widths of the streets. We can cut the cul-de-sacs down considerably.

The question I am going to ask is, how are we going to plough those streets? How are we going to get a fire truck into those narrow streets and those narrow cul-de-sacs? How are we going to service the area, in particular, and what kind of slum will it be? What kind of a slum will it be?

They are suggesting that we have 10 units per acre. It is only a short time ago that we were supposed to have five-acre and 25-acre lots, like in North Fredericksburgh and these other municipalities. What will we get from

the small lots and the small homes? I suggest that the water from the eavestroughs and so on will spill out on the ground beside the house, and from experience I see it flooding the next-door neighbour, flooding the basement, all sorts of problems; and after it's built, after the Ministry of Housing has this built and the people are in there and the contractor has gone, then who will take the blame?

My reply to that is that the municipality will have to take the flak. That is part of the result. Unless the developer pays the cost of all services, the municipality is going to be in debt for 25 or 30 years, to the extent that when it does need to borrow, its borrowing power will be eaten up with services for streets, paving streets and so on, which is really the developer's responsibility. Their taxes will increase, but apparently that doesn't concern these ministries at all. As long as it gets away from them, away from the ministries and onto the person who is buying and the municipality, that's all that's necessary.

Mr. Speaker, I will go back to the results: You buy now and pay later, and you pay, and you pay, and you pay. The municipality goes deeper and deeper into debt through the debenture system. We will have flooded areas. We will have flooded basements. The municipalities will almost be facing bankruptcy. I don't say that this province is bankrupt, but certainly its AAA rating is sure shot all to pieces. The interest rate keeps going up. There is no consideration whatever given to attempting to get that interest rate down where the average person can pay. The high costs of material keep increasing and no one is attempting to stop that, or doesn't appear to be. There are planning delays, and as I mentioned previously there are all the costs of the engineering, the surveying, the drawing of plans and the redrawing, the travelling, the discussing and the meetings etc. That builds up and builds up and then there are the OMB hearings, and the developer, whoever it is, doesn't know if he's going to get it passed or not.

All of this adds up, and instead of the lot selling for probably \$5,000 or \$6,000, or \$7,000 or \$8,000, it's anybody's guess. The guy who gets the lot developed and approved first is the one who's in the driver's seat, and he can charge whatever he can get really.

I noted with interest the member for Hastings' (Mr. Rollins) report from Queen's Park in the Trade News I believe it was, in which he stated that the provincial Treasurer (Mr.

McKeough) has reversed his procedure on the flow of public spending and brought forward a responsible budget. I want to commend him for his honesty, since he is admitting that in the past the budgets that have been brought down have been totally irresponsible, and now the government is trying to clear up the financial mess it created by passing the burden on to the taxpayers and also by making the taxpayers suffer the consequence of this irresponsibility by drastic cut-backs in essential services to the public.

Interjections.

Mr. Spence: That's right.

Mr. McEwen: The budget is a farce. The Treasurer is taking much credit for the government's restraint programme, and appears to be very smug and self-satisfied with his accomplishments. However, it is very obvious to everyone that he has merely passed the buck to the taxpayer and that his budget also smacks of total irresponsibility, just as budgets brought in by some previous Treasurers. Some of the admirable accomplishments that he has are:

In Odessa, a meeting was held—and this is for you too, Jim, I knew that you would be waiting with bated breath—in the Ernestown Secondary School with respect to the cost and repayment process of Odessa's water and sewer system, which is currently about one-third completed.

Hon. Mr. Taylor: Is this you now, or is this Clark?

Mr. McEwen: It appears that cost estimates in 1973 were that \$186 would be levied against each typical homeowner. Typical homeowner—that means an assessment of \$3,000. How many homes are assessed at \$3,000 today? More like \$4,000, \$5,000 or \$6,000, so that means that it could be double that amount.

However, these figures were based on the project being completed in 1974. There has been considerable delay in finishing this project, and one reason for the delay was the acquiring of land and other items by the Cataraqui Region Conservation Authority. Because of the delay, it is now estimated that the typical homeowner is going to have to pay a figure of \$297.61 a year, but a Mr. Crabtree of the Ministry of Environment stated that figure would not be legal and binding until approved by the Ontario Municipal Board.

This is very important; he said if the Ontario Municipal Board rejected these prices the old \$186 figure could still apply. I ask, on

what authority? I would like to know why the original figure cannot be left as it is, if indeed there is any possibility that the OMB might reject the new figure of \$297.61. I would also like to know what kind of business is this about our ministry has entered into? Is it without tendering? Is it without a contract?

Hon. Mr. Taylor: No. You know it's not.

Mr. McEwen: Is it a contract? Was it a contract? If it wasn't, it should have been. In this day and age it should have been a contract. I would say that it is government mismanagement.

Hon. Mr. Taylor: You know enough about servicing to know better than to talk like that.

Mr. McEwen: Let me finish. You've been here several weeks and you haven't said anything yet. Let me say something.

Hon. Mr. Taylor: Let me say something.

Mr. McEwen: Let me say something.

Mr. B. Newman: Let me say something.

Hon. Mr. Taylor: Why don't you be factual? Why don't you?

Mr. Speaker: Order. Will the member for Frontenac-Addington please continue? Order.

Mr. McEwen: Now we're getting there. That's fine.

There was a chap said the other day that you could make a fortune endorsing kitty litter, but I didn't agree with him.

However, those figures were based on the project being completed in 1974. There has been considerable delay in finishing this project, and one reason for the delay was the Cataraqui Conservation Authority. I'll repeat that. I believe the Minister of Community and Social Services and the member for Lake Nipigon (Mr. Stokes) were in attendance at the meeting.

Hon. Mr. Taylor: Sure, and you weren't

Mr. McEwen: No, I wasn't there.

Hon. Mr. Taylor: And you don't know the facts. Why don't you get the facts before you speak—

Mr. McEwen: I'll give them to you, Mr. Speaker, may I continue?

Hon. Mr. Taylor: —instead of the conjecture and speculation and distortion.

Mr. McEwen: Shall I continue? I'd like to comment on Mr. Taylor's approach to taking

mothers and children off the welfare rolls and sending them out to work.

Hon. Mr. Taylor: What has that got to do with the sewers?

Mr. McEwen: It's been my experience that most mothers who have children and have been deserted by their husbands do not have the qualifications to get a well-paying job which would allow them to pay for the care of their children while they are out working. Perhaps the Minister of Community and Social Services himself has never experienced poverty since he feels quite securely that his mother never was placed in this position of either having to go out to work or to have to apply for welfare. Nor do I feel that Mr. McKeough's mother was ever in such a circumstance.

Hon. Mr. Taylor: Who are you quoting now?

Mr. Speaker: Will the member for Prince Edward-Lennox please restrain himself and let the hon. member for Frontenac-Addington continue?

Hon. W. Newman: Mr. Speaker, you are being partial now. You shouldn't do that.

Mr. McEwen: Thank you, Mr. Speaker.

Mr. Nixon: Enjoyable interjections.

Mr. Speaker: Order.

Mr. McEwen: I'm very pleased that you see how rude the member for Prince Edward-Lennox is to me. We're all aware of a few cases where welfare may be exploited. But, on the whole, most people would rather not be forced to experience the humiliation which is their lot when applying for welfare. It appears to me that the Minister of Community and Social Services has more or less issued a blanket statement damning all people on welfare as being dishonest and chiselling the taxpayer. The cutbacks in Children's Aid Societies is also going to create hardships for these who need the help most.

Mr. Warner: Too bad the minister doesn't get up in the morning and do something useful.

Mr. McEwen: These are the children who do not have good homes or any homes at all, and as for family benefits, I have some information on people in my riding who are living not above the poverty line, but almost in poverty—

Hon. Mr. Taylor: You are not reading very clearly. Who are you quoting now?

Mr. McEwen: —who are unable to go to work because they are crippled, blind or both, and a blind person's pension allowance is somewhere in the neighbourhood of \$2,500 a year. I would like to ask the hon. member if he thinks he could subsist on this amount of money.

Also, in talking about getting mothers off the welfare roll, I would like to point out to him that if a mother with a crippled blinded husband goes out to work and earns a few dollars, the money she earns is taken out of the already miserable allowance her husband receives for his disabilities.

Mr. Warner: He doesn't understand. There is no point in talking, he doesn't understand.

Mr. McEwen: The Treasurer has done a very thorough job on this budget. No area has been left untouched, because we now come to the subject of education. As the Minister of Education (Mr. Wells) is well aware, the cutbacks in the educational system have fallen upon the municipalities who have had to increase their mill rates to taxpayers to provide a minimum standard of education. After three years of mismanagement, the taxpayer and particularly those in the smaller municipalities, are now having to bear this extra burden on their already overstrained backs.

I'm quite sure that those in the high office knew quite some time ago where their overspending and mismanagement of funds was leading them. But, like ostriches with their heads buried in the sand, they continued on their merry way leading the province to financial ruin without any thought being given to the drastic results which would evolve from their carelessness. However, I believe they knew they could find a scapegoat in passing on to the municipalities the burden of carrying the mess they got the province into.

Then we get into the health services. I would not think either the Treasurer or the Minister of Health (Mr. F. S. Miller) would lose any sleep or be bothered by their conscience with regard to the closing down of a few hospitals, cutting down on staff at other hospitals and putting hundreds, perhaps thousands, of people out of work. After all, what does it matter if lives are lost because the nearest hospital may be 50 or 60 miles away? In rural areas where blizzards occur in wintertime and it is virtually impossible for ambulances to drive in such weather, ambulance men have walked and carried patients to the nearest hospital when their lives were

endangered. But, of course, the hospitals were quite close—perhaps a couple of blocks away. [9:30]

It would appear the Treasurer and the Minister of Health are much more concerned about saving a few dollars than saving the lives of human beings. I must say at times our compassion and humanitarianism are admirable, most admirable. Also, I feel that when the Minister of Health—I am very pleased to see him return today, and I hope in good health—I feel it was fortunate when he had his heart attack that there was a hospital nearby to which he could be rushed and where he could be placed in an intensive care unit. Others in rural areas are not going to be this fortunate, after the budget cut to the hospital services system. These people suffering a heart attack will probably die on the way to the nearest hospital.

In trying to justify the increase in OHIP premiums the Treasurer has stated that this increase will be passed on to the employer. This may be right in some cases, but certainly not in all. Those who can least afford it—for example, day labourers and people in the lower-paying job groups—do not have part or all of their OHIP paid by the employer. They have to pay the whole cost themselves. What about the employers? They are carrying enough burden without having to pay any additional funds. In all probability many of them are going to wind up out of business through the poor planning of this government. As the old cliché says, you can fool some of the people some of the time, but you sure can't fool the bank managers.

Although this government has, up until now, done a supreme job of conning the people of Ontario, it is my belief that its days are numbered in the con game. I repeat: this government has earned an election, and has earned defeat.

Hon. Mr. Taylor: Is that your last word?

Mr. McEwen: Oh, don't worry, I will get back to you. Don't get lonesome.

Since our best budget con artist, the Treasurer, has pared down in all areas so that the taxpayer is certainly being made the fall guy and is going to feel the pinch—especially the little guy, who earns little enough to manage on now—I would like to ask why the Attorney General (Mr. McMurtry) finds it necessary to hire 40 more judges to fill up the current backlog in court cases. Why in the first place was such a backlog allowed to occur? I mean, judges certainly cannot be hired for peanuts.

While I am speaking about the Ministry of the Attorney General I would like to take issue regarding Mr. McMurtry's statement to the North Toronto Businessmen's Association regarding civil disobedience. He said politicians must exercise vigilance to ensure full public participation in legislative decisions. Yet as I see it, people are not being allowed to do this. The people had no say in the seatbelt legislation—this was mandatory, and a great many people object to the government telling them they must be strapped into a vehicle. I believe, and a good majority of our people believe, that we can educate our people to use the seatbelts if they are the right thing. I think if you ask them, they will co-operate. But I think it was wrong to initiate legislation to demand such a thing as this.

Mr. Warner: You voted for it.

Hon. W. Newman: Why did you vote for it then?

Mr. McEwen: No, no. We further stated that there is no justification at this time in our society for the tactic of civil disobedience, since everyone has access to the courts to redress his grievances.

Hon. W. Newman: You guys have—

Mr. Speaker: Order.

Mr. Warner: Why didn't you have the courage to abstain?

Mr. McEwen: May I ask the Attorney General how many people can afford a lawyer to represent them in court? It is a very expensive procedure, and this is a terrible attitude.

The Attorney General is having charges laid against hockey players for violence. I feel he could well leave this to the referees, and instruct them to inflict more serious penalties on those who are causing the problem, since there are more serious crimes being committed in today's society.

It is my feeling his talents would be better employed in laying charges against the Ministry of Health. I'm referring to the case of 12-year-old Maryjean Boetto, who had been prepared for surgery—emotionally, physically and mentally—to have three gangrenous toes removed. This child was hysterical for two hours because the surgery had to be postponed due to the lack of nurses. How can one explain to a 12-year-old child that the surgery had to be postponed because of the Ministry of Health budget cuts to hos-

pitals? Are we living in the Middle Ages? It appears to me that things like this should never happen.

I can go on about these laws that the minister has been advocating. We read them every day. I have heard him state here what is, in my opinion right on the verge of a police state in that he was going to bring in legislation to allow the OPP to stop anyone anywhere, and in particular to set up roadblocks—I believe that is exactly what I heard; to set up roadblocks—to determine if they were drunk.

I don't participate in drinking so I take exception to being stopped in a roadblock and kept for an hour waiting while some policeman goes down the line to decide whether he is going to take a licence away or not.

Mr. Eakins: I don't either.

Mr. McEwen: Is that right? I am glad you agree with me. Thank you very much. It is very nice that he agrees with me.

Now that the provincial government has passed the seatbelt legislation with some various, dubious rationalization for its need, it seems only logical to gaze into the crystal ball and speculate in the future. This is what we could see any day.

Toronto—The provincial government today gave third reading to four more bills in its restraint programme.

One bill requires that women cease wearing brassieres and instead bind their breasts. A government spokesman at a press conference today explained that this had been successful with the Watusi tribe in Central Africa, so it should work here.

The second bill, a similar bill, requires that all women wear girdles. Asked for an explanation of this, the Attorney General said it was a privilege to have a beautiful body and the government wished all women to have this privilege. The girdle law would not go into effect immediately, however; there would be a waiting period of several months during which women would be required to report to their doctors for fitness examinations. Those who are more than 20 lb overweight will be enrolled in a weight-reducing studio. The spokesman said surgeons had no difficulty operating on obese women and operations took longer. Time is money, he explained, and every effort must be made to reduce medical expenditures.

Item 3: Males have not been overlooked in this government programme. The third

bill requires all men to wear athletic supporters. The spokesman stated this had worked well in football players.

The fourth bill will require all residents of public housing to live on the roof. The spokesman explained that, although 95 per cent of the cost of housing was paid by federal funds, five per cent was provincial and the five per cent was just about the cost of interior decorating and the provincial government had to protect its investment.

This is the sort of arrogance that we can expect almost any time. This is the sort of legislation that we can expect at any time. I would like to ask the Attorney General when he is here, and if he cares to answer—

Mr. Haggerty: He is watching the hockey game.

Mr. McEwen: —why justices of the peace who have no legal training, or for that matter, legal experience of any kind, are allowed to sit in judgement on people. I am citing here one case in which a justice of the peace, John Russell of Napanee, convicted a man by the name of Walker of Kingston for not wearing a seatbelt. Mr. Walker appealed the decision of Mr. Russell before a county court judge and his appeal was upheld since Mr. Walker was unable to wear his seatbelt due to a back injury. He was born without a portion of his vertebrae.

While I am on the subject, I would like to make it plain, insofar as I am concerned, and I know this applies to many other people in Ontario, that this mandatory seatbelt legislation should not have been passed. Appointing justices of the peace to do certain things is one thing, but to sit in judgement on people is another. It is my opinion they should be someone with legal experience and not campaign managers; or opposition to the Minister of Community and Social Services, such as the reeve of Ernestown, who was made a JP; or the man who runs Syl Apps' brickyard, who was made a JP; or a man away out in the north end of Frontenac who was made a JP without any consideration of the members here. I think when they appoint a JP such as this it should be by a committee of this House so that we could decide—

Mr. Warner: Is that called patronage?

Mr. McEwen: That is something.

Hon. Mr. Taylor: Do you know what he is talking about?

Mr. McEwen: In the area of Natural Resources the budget has affected the restocking of lakes with fish and as everyone knows it is essential to tourist operators to have fish in lakes for tourists to catch. Operators are going to suffer great financial loss because of this action.

The minister is filled with compassion for the poachers since he feels that a person who is fined for a hunting offence is being punished unduly if he loses an expensive gun or some other type of equipment. It has always been my understanding that the punishment should fit the crime. It would appear the hon. minister is very sympathetic to poachers but I have found him to be most unreasonable in other areas.

In correspondence I had with him he felt that a small municipality should be punished by not receiving a fee owing to it for fighting fires on Crown land for the reason that it was reported a bit late. After several letters the minister did concede and the municipality is receiving these funds that were rightly its in the beginning.

Another matter he has been most unsympathetic about is that of the township of Sheffield which has objected most strenuously to the Moira River Conservation Authority changing the name of the Sheffield conservation area to the Belleville Yardmen's area. The authority will receive a sum of \$40,000 from the Belleville Yardmen to be paid at \$2,000 per month for this name change.

I feel that perhaps it would be more incumbent upon the minister to give more consideration to law-abiding citizens and their requests than to see that a poacher does not have to suffer the great inconvenience of having his expensive piece of equipment taken away from him.

I quote from an article:

Politicians should stop playing Santa Claus to poachers and lawbreakers. ("Bernier says he returns confiscated guns.")

Conservation officers have their pride. Ontario is fortunate in having a few good ones. They should be encouraged to pursue their duties to uphold the law without interference.

Unfortunately the Ministry of Natural Resources is oriented toward lumbering and big business. The fish and wildlife branch is just an appendage receiving little attention and meagre financial allocations.

It is high time anglers and hunters of Ontario receive a more favourable break.

Poachers should lose their equipment. They despoil our resources and give ethical outdoors people a bad name.

I can go on about what is happening in those areas with that ministry. The one in particular I would like to bring to the attention of the House is a letter from the Ompah Conservation Association to me. It states:

I recently read a letter addressed to a certain person, a good conservationist, who has a cottage on Mosque Lake, from Harold Cantelon, district manager of the Ministry of Natural Resources at Tweed, stating that the waters of Palmerston Lake was to receive no further plantings of lake trout. The letter went on to state that lakes having some degree of natural reproduction should carry a sufficient fishery to meet the needs of the people and that the indications were, for Palmerston Lake, that stocked fish were of no importance. Hence no further stocking would take place.

I am very concerned about all of the small lakes in Ontario, particularly in the riding of Frontenac-Addington, because I receive numerous letters from people inquiring about the restocking of lakes and why it doesn't take place.

Really, the answers we receive are that there is no restocking going to take place. We do try to encourage the tourists to visit all of our counties in the province and the one thing that does encourage them to come back—I am speaking from past experience—is catching fish. If they are not there, they are certainly not going to come back. This is the reply. I have a letter from another municipality in Clarendon and Miller. That is away in the north end—that is farther up in the Ompah area.

[9:45]

The reply from the minister was quite lengthy but I would like to read some of it. The letter refers to the letter that I forwarded to him, and this is the procedure that I have been taking. It says:

The matter outlined in your letter is of concern to me, particularly where fishing opportunities are declining and where this is affecting tourism as well as other related industries. [But yet in the Ompah area they are not going to restock.]

Our provincial fish hatcheries are presently producing at maximum capacity. Increased costs and monetary constraints have made it almost impossible to consider expansion of our planting programme at this time. The most economical and, in the long run, the most satisfactory method of

managing a fish population is by utilizing natural reproduction.

Assuming that a lake environment is satisfactory for lake trout, for instance, use of hatchery fish can impair the native fish through an introduction of disease [and so on].

Why are we operating the fish hatcheries and what are we doing with the, I believe they call them fingerlings? What are we doing, if they are put in the lakes, according to the ministry, to try to prevent damage to the other fish? Yet, if we don't put them in, we won't have fish.

In the one letter they say they are not going to stock it. This one is giving an alibi of why they don't stock it. It goes on and on.

In the future we do not plan to stock hatchery-reared lake trout in the eastern region waters where natural reproduction by native trout is possible.

But it isn't possible in here apparently. The fish population is declining. The letter says:

Lakes which cannot support reproduction but which have suitable water quality conditions for fish survival will be the main recipients of hatchery fish. If water quality conditions have deteriorated to the point where trout survival is no longer possible, the existing warm-water fish population will have to provide the total sports fishing opportunities. [In other words, go somewhere else.]

The only realistic solution is to clean up deteriorated water quality where it exists and reduce angling pressure.

It is just impossible to tell people they can't put a fish line in the water. This is our way of life in this country for all time and it would be sad to say to the people they can't go fishing and they can't put a line over that shore. The letter goes on:

My staff in eastern Ontario are presently working toward a better system of utilizing lake trout stocks in the region. I hope that the preceding discussion helps to explain some of our fisheries management problems in the stocking programme in Ontario and I assure you that every effort will be made to maintain fishing opportunities in the Plevna area.

I would like to know what they are going to do. First of all, they said they are not going to do anything and then they said they hope we will be satisfied with what they do.

As our distinguished Treasurer has done such an excellent job with his so-called

budget cuts, I would now like to mention our illustrious Ombudsman who is being paid \$60,000 per year for his services and has asked for a budget for the coming year of \$3.2 million in order to increase his staff and other expenses, I would presume, from 80 to 100 members. Apparently the government is supposed to be only allowing him a budget of \$2.3 million, and I understand Mr. Maloney is appealing this.

Up to the present time Mr. Maloney has only given generalities as to what he has accomplished as Ombudsman. However, he has taken credit for the release of Silvanus Jefferson who had been given the maximum sentence of 14 years for a minor wounding offence. I fail to see why Mr. Maloney should take credit for this as Mr. Jefferson may have been released in any event without his intervention.

Under the date of April 1, 1976, I wrote to Mr. Maloney asking him to inform me just what he had accomplished by way of helping the common man in Ontario, who was being slated by red tape and bureaucracy. In particular, I was referring to the Workmen's Compensation Board, which, in my opinion, is one of the most badly organized departments of government I have ever come across.

I sent copies to the news media of the letter that I had written to Mr. Maloney. Mr. Maloney called one of the newspapers and asked what the newspapers thought of my letter. This is before he replied to me.

Mr. Eakins: What did he say?

Mr. McEwen: I want to tell you what I said first:

It is my understanding that the Ombudsman was supposed to be a completely impartial person working only for the good of the little people who could not fight city hall . . .

However, I am of the opinion that Mr. Maloney is either unable or will not maintain impartiality and that he is using his office not for the purpose intended, but rather for self-glorification. It would appear that Mr. Maloney's office is not going to be deprived of anything because of the budget, nor are any of the higher echelons in government. The taxpayer is still going to be paying for the refurbishing of offices, such as the \$65,000 spent on redesigning the Lieutenant Governor's suite, plus \$20,000 for plants. And then there's the matter of expensive cars for deputy ministers, such as the one purchased for Mr. Backley of Health at a cost of approximately \$10,000. Also the government is aware of the dreadful waste of taxpayers' money

in the cost of publications which lie on shelves gathering dust.

The reason for my letter was that we received quite a lengthy letter from Ellen C. Adams, director of institutional and special services, and I believe that each member received one of these. It goes on to say that the Workmen's Compensation questions and grievances should be dealt with by the members.

It would be of great help to this office if you could advise me if I should suggest to your constituents that they get in touch with you if they require assistance with their appeal against the Workmen's Compensation Board.

How could we help in their appeal? I don't think we could.

If you have no objections to this process, we could then suggest to your constituents that we forward their file to you so that they do not have to outline their problem once more.

Mr. Speaker, we have a file full of complaints about the Workmen's Compensation Board now, that we can't get any consideration for.

Should the appeals not meet with success and should you feel that the claim requires further investigation, I would appreciate it if the file were returned to this office so that we can request a Xerox copy of the Workmen's Compensation file and conduct an independent investigation.

Yours sincerely,
Ellen C. Adams.

Here is a department—I guess you'd call it a department—that is asking for \$3 million or \$5 million for the year to conduct the business of the Ombudsman. This is the letter I wrote, and in all humility it was good stuff to bring up. It was just to get to the point because we were really wanting to get some claims cleaned up.

Dear Mr. Maloney:

I am in receipt of a letter dated March 16 from Ellen C. Adams, director of institutional and special services, in which she states that your office receives a great many complaints relating to the Workmen's Compensation Board. She then goes on to quote from sections 15(4)(a) of the Ombudsman Act.

For your information, I have found that in most cases the injured workman has exhausted every avenue open to him in attempting to have his claim settled before calling on his MPP for assistance.

The Workmen's Compensation Board, which presumably was specifically set up to assist and protect the injured workman who sustains injuries in the performance of his duties while at the place of employment, appears to do everything within its power to harass the claimant. It is a nightmare even when the MPP does intervene on behalf of constituents to get this board to take appropriate action with respect to a claim. May I assure you that by the time a constituent contacts his MPP, he has reached the stage of total frustration and complete defeat in attempting to cut through the red tape which surrounds this board.

Many of these people have been permanently disabled and will never be able to work again, and yet it is like trying to get blood out of a stone in attempting to get those unfortunate victims' justifiable claims settled. In many cases the compensation was set quite a few years ago and has never been raised in keeping with the continuing escalation in the cost of living. Those people who through no fault of their own find themselves in the position of never being able to seek gainful employment invariably have to suffer incredible humiliation at the hands of the board, which was supposedly set up for their benefit and protection.

It is my understanding that the Ombudsman was appointed to act impartially on behalf of members of the public who found themselves in the situation where they could not fight city hall and that his office would then enter the dispute in their defence to see that they received fair and just treatment.

I regret to say that, in my opinion, this does not seem to be the case as far as your office is concerned. I would like you to advise me of what issues, if any, you have settled on behalf of the common man, and in particular, with respect to any person in the riding of Frontenac-Addington who may have approached your office for assistance. If you have not cleared any issues, particularly with respect to the Workmen's Compensation Board claims, then I would ask, just what is it costing the province for the upkeep of your office?

I received a reply:

Thank you for your letter of April 1.

I think in dealing with some of your comments, reference should be made to the exact role the Legislature gave me to fill.

Section 15, subsection 1 spells out the function of the Ombudsman of Ontario. This provision reads as follows:

"15(1) The function of the Ombudsman is to investigate any decision or recommendation made or any act done or omitted in the course of the administration of a governmental organization affecting any person or persons or body of persons in his or its personal capacity."

A further understanding of the section quoted is obtained by reading section 1, which reads as follows:

"1. In this Act,

(a) "government organization" means a ministry, commission, board or other administrative unit of the government of Ontario, and includes any agency thereof;

(b) "minister" means a member of the executive council."

It is my feeling and my colleagues' that we are furnishing the people of the province with a first-class Ombudsman operation and that certainly seems to be the consensus of the great majority of people who have come to us for help.

Obligations of confidentiality that were imposed on me under the Ombudsman Act make it difficult for me to reply to the inquiry contained in the last paragraph of your letter.

All I wanted to know was how many is he dealing with and has he finished any. I didn't want to know the particulars.

The cost of maintaining the office of the Ombudsman will be disclosed in due course by the provincial auditor. You will find, I am sure, that the figure is lower than most people would have expected.

It goes without saying the tenor of your letter came as a great disappointment to me.

I'm really thrilled about the next paragraph:

I've heard a great deal about you and am looking forward to the pleasure of meeting you. I would suggest you call me to arrange a meeting at my office so you can see our operation and meet my colleagues who are doing so much to help me make it work.

And that's the letter which really didn't answer what I was asking for.

Mr. Speaker, it goes on and on here. Apparently I'm not the only one who is concerned about the path of the Ombudsman's office. There appear to be some of my associ-

ates in the office close by me who are just as concerned as I am—

Mr. Deans: Why are you picking on Arthur Maloney? What have you got against Arthur Maloney?

Mr. McEwen: The one comment I have to make in reading the Ombudsman Act is that I would presume Mr. Maloney, being a lawyer, was completely aware of the fact that he could not remain impartial if he was not at liberty to revoke decisions made by the cabinet of Ontario. Therefore, if he cannot investigate cabinet decisions to see if people have been fairly treated, one must conclude that the entire government is infallible, and up to the present time I was always under the impression that human beings were fallible.

Mr. Foulds: He's not finished yet, fellows.

Mr. McEwen: Oh, no.

Mr. Morrow: Not a bad preamble.

Mr. Foulds: It sounds like Canterbury Tales, it goes on and on and on.
[10:00]

Mr. Eakins: Just wait, the best is yet to come.

Mr. Foulds: It's got nowhere to go.

Mr. McEwen: Turning to the Minister of Culture and Recreation (Mr. Welch)—I have heard him called the minister of gambling although I really don't go for that because he is a very nice chap—but I am concerned about the \$39 million taken by Wintario last year and the estimated \$60 million forthcoming this year.

We read from time to time—and the minister is gracious enough to send us copies—of \$3,000 to this organization or \$4,000 to another and so on. But we are dealing with \$39 million and \$60 million. In the beginning I believed it was for recreation and culture, and recreation in one area is for building recreation centres, arenas, covered buildings and so on. I had hoped that the minister would give serious consideration to getting back to that application of the funds which he is collecting.

Giving out \$1,000 to the grape-stompers' association and so on is a great way—it is a great political gimmick to be allowed to administer \$60 million in a year and be the only one who will really decide who is going to get the money. We do have a lot of requests, a lot of recommendations for assistance

in all areas, particularly in the riding I am honoured to represent. At no time do we see any great amount of money forthcoming to put up any of these buildings.

I would say that with \$60 million we could put up 120 of these buildings in one year. From experience in what I have seen these buildings which are erected; they are put to great use. The ones which are in operation seem to be bulging at the seams with our young people who are wanting the use of them.

I have only one comment on the Ministry of Transportation and Communications because fortunately I have had great co-operation from this gentleman. I am very pleased about that. I must say this, I hope the man will take action after my complimenting him tonight. He has co-operated very well—wonderfully—but there is one area which is of great concern to a lot of people and I must speak for the people of Prince Edward-Lennox.

It's the area of Highway 2 and Highway 133 intersection. This is a letter, April 6, 1976, to the chief administrative office, the county of Lennox and Addington, and it is from a Mr. Trew, Ministry of Transportation and Communications in Kingston. At Highway 2 and 133 there is a very flat approach both ways and coming south on Highway 133 if one is travelling at 50 mph and not exceeding the speed limit, you are on to Highway 2 regardless of the signs which have been erected there.

There have been a good many accidents in the past and the council of the township of Ernestown, in the county of Frontenac, has continually asked the ministry to install traffic lights there and the ministry has continually refused to do so. The last letter is:

We have reviewed the above intersection and feel that the present traffic control devices, which include 4 ft x 4 ft stop signs are adequate.

The installation of flashers is generally reserved for locations displaying any of the following conditions: A physical obstruction in the roadway; a sharp curve in the roadway or where a major intersection is hidden by a sharp curve or severe grade. At the intersection of Highways 2 and 133, none of the above conditions exist.

As I mentioned it is flat.

Hon. Mr. Taylor: What is the date of the letter?

Mr. McEwen: To continue:

In 1972, the smaller stop signs were replaced by the 4 ft x 4 ft signs and the flashers were removed. [There were flashers there previously.] Since the installation of the larger signs, they have proven to be very effective, with a low total of nine collisions. From information received, it was discovered that the past fatal accident which occurred at this location would not have been prevented by the installation of flashers. [These people are psychic. You know, they are mind readers and they can look into the future.]

Please be assured we will keep this intersection under observation and any adjustments which may be beneficial will surely be undertaken.

In other words, apparently a certain number of people must be killed before any action is taken. I quote from the Kingston Whig-Standard of April 14:

Camden East reeve Duane Williams, claimed he was "appalled the Ministry of Transportation and Communications would take this decision" when it was learned the resolution he moved in last month's county council session for a flashing light at Highways 2 and 133 was refused. The intersection has been the scene of several serious accidents recently. The ministry, in a letter from J. S. Trew, regional traffic superintendent, claimed that only nine collisions has occurred at the intersection.

South Fredericksburgh reeve Harold Creighton asked the question: "Do you have to wait until so many are killed at an intersection before something is done? You shouldn't have to ask for it." A further request will be resubmitted to the MTC and the area's two provincial members of parliament.

Hon. Mr. Taylor: What was the date of the letter from MTC?

Mr. McEwen: The date—I would assume that you should have got a copy—was April 6, 1976.

Hon. Mr. Taylor: You haven't seen any further correspondence?

Mr. McEwen: Mr. Speaker, I am not in the habit of making up a story. I don't have anything to apologize for in that riding. I only offered to assist the people where the present member has refused to take positive action and get results for them. I intend to get the results if possible.

Hon. Mr. Taylor: Who are you speaking for? You had better start looking after your

riding because you are not going to be around after the next election.

Mr. Breithaupt: Is that a threat or a promise?

Mr. McEwen: The minister reminds me of trying to be a knight in shining armour on a white horse; and let me tell him this, after what he has done to the Children's Aid Societies and the mothers and so on in this province, his shining armour is rusty and his horse is covered in the mud that he has made.

Mr. Breithaupt: So much for Prince-Edward-Lennox.

Mr. McEwen: If I was in a riding as traditionally Tory as long as that one, I would be ashamed to only win it by 700 votes.

Hon. Mr. Taylor: You had to switch parties to win yours.

Mr. McEwen: And if you were wise, you would too.

Hon. Mr. Taylor: Who are you going to run for next?

Mr. McEwen: They will be looking for someone else.

Hon. Mr. Taylor: If I was the NDP I'd be careful, boy. Better not get too friendly.

Mr. McEwen: As for the tight-beltening at Queen's Park, there can be no quarrel with the general thrust of the legislative programme outlined at Queen's Park. This is a tight-beltening — belt-tightening year — you have got me really looking at you—

Hon. Mr. Taylor: You don't read too well.

Mr. McEwen: —and the real question is how the belt is tightened. While it would be an exaggeration to suggest that Ontario faces a fiscal crisis, the fact remains that the province has some really tough decisions to make. It has to do a much more effective job of weeding out wasteful spending and determining the province's true spending priorities. The province is already facing a whopping \$2 million deficit and in fact this deficit could turn out to be even higher, since new statistics show the economy weakened in recent months.

Hon. Mr. Taylor: And you want me to spend more, you were complaining that we are not spending enough.

Mr. Warner: Try to pay off your interest.

Mr. McEwen: In effect, the need to control spending is a non-partisan issue at Queen's Park. What is debatable between the government and the opposition parties is what programmes should be cut and what taxes should or could be raised. This is a minority government, and you should remember to co-operate with the opposition.

Hon. Mr. Taylor: You were just talking about not spending enough on highways and welfare.

Mr. McEwen: For example, should Children's Aid Societies face severe restraints, while college students have their tuition fees frozen and the provincial Attorney General (Mr. McMurtry) is able to get a big boost in his department's spending?

Hon. Mr. Taylor: You are talking about deficits.

Mr. McEwen: At the same time, while the government quite properly refrains from proposing lavish new spending programmes, it fails to indicate how the province plans to carry out its responsibility to provide adequate housing at reasonable cost to Ontario residents.

Moreover, the Premier (Mr. Davis) should not be allowed to pose as a champion of fiscal responsibility. It is, after all, his own government's past lack of financial control that has led to the construction of unnecessary hospitals and an overblown bureaucracy. This government at Queen's Park has always tried to lure the public with an open purse, especially at election time.

Mr. Warner: Absolutely unqualified disasters.

Mr. McEwen: What is true, as the Premier acknowledges, is that bringing the provincial budget under control is a major part in the fight against inflation. We must face the fact that government spending at all levels has been a cause of inflation, and more precisely that failure to match big spending increases with similar tax increases has been a major cause of inflation.

Mr. Speaker, I say where is your triple-A rating? It reminds me of a race horse.

Hon. Mr. Taylor: We have it in spite of you and your urgings to spend more money.

Mr. McEwen: A triple-A race horse is good, a double-A race horse is only fair, a single-A is getting down; and Mr. Speaker, I shiver at the thought of having a big nothing below the A. They are running like a race horse that has been worn out. They are down from a triple-A to a double-A to a single-A.

Hon. Mr. Taylor: We have a triple-A rating for this province.

Mr. McEwen: Yes, sir. Now there are some gentlemen who have been waiting here for a long time.

Hon. Mr. Taylor: You have lost some pages you haven't read yet. Better find them. Are you going to mail this speech to your constituents?

Mr. McEwen: I'll mail them to yours, too, if you aren't careful; they sure need something worthwhile.

Hon. Mr. Taylor: You're not helping the constraint programme, putting all that garbage into Hansard.

Mr. McEwen: Mr. Speaker, I submit to you petitions from the Hotel Dieu Hospital in the city of Kingston. I have been asked to participate and act on behalf of some of the residents of the riding of Kingston and the Islands. I will submit this to the Clerk. The one petition states, as addressed to myself:

Enclosed you will find an expression of opinion by the majority of the voting members of the medical staff of the Hotel Dieu Hospital, Kingston.

This petition is in response to the recent closure of beds in the Hotel Dieu Hospital, and our determination that these closures have interfered with the logical implementation of a plan undertaken between the teaching hospitals and the University of Kingston for rationalization of services.

We trust that you will take these facts into consideration and allow an extension of the deadline for closure.

They're asking that this petition be submitted and consideration be given to it.

[10:15]

I have another petition, with 700-some names, and again it's addressed to myself, from 161 Avenue Rd., Kingston. It says:

We are respectfully submitting further signatures in support of the petition which was sent to your office April 1.

And here are the names and the petition, Mr. Speaker. It says:

We, the undersigned, having a genuine concern for the matters hereinbelow stated, do hereby petition the Hon. William Davis, the Premier of the Province of Ontario, to:

1. Instruct the Minister of Health to grant an extension beyond the April 1, 1976, deadline for the closure of beds and the cutback in staff at the Hotel Dieu Hos-

pital, Kingston, to allow an opportunity for an independent study to justify this action;

2. Institute immediately a legal appeal tribunal before which hospitals in Ontario may appear to question the dictatorial decisions of the Ministry of Health for the Province of Ontario;

3. Instruct immediately the board of directors, the board of management and administration of the Hotel Dieu Hospital, Kingston, Ont., not to discharge any employee as a result of the directive of the Ministry of Health planned for April 1, 1976, until a full review of the government's policy in health care is completed; and

4. Attend in the city of Kingston a meeting to hear personally, from representatives of employees of the Hotel Dieu Hospital, their grievances in this matter.

This is the petition, which I'll leave with you a little later.

Interjection.

Mr. McEwen: I'm not finished yet; I've got more.

Mr. Warner: Is this chapter 12?

Mr. McEwen: Mr. Speaker, also submitted by those interested in the Hotel Dieu Hospital—

Mr. Speaker: I must remind the hon. member while it is quite permissible for him to read from his own notes, it's against standing orders to read at any great length from someone else's previous written documentation.

Hon. Mr. Taylor: You should have said that two hours ago.

Mr. McEwen: Mr. Speaker, this has been typed in my office.

Hon. Mr. Taylor: You don't have enough—

Mr. McNeil: Why don't you just file it?

Mr. McEwen: Thank you very much, Mr. Speaker, for bringing that to my attention.

Mr. McNeil: File it in the waste paper basket.

Mr. McEwen: Mr. Speaker, I would suggest that if the hon. member wants to comment, he should do it from his own seat.

A number of years ago, with appropriate publicity, it was announced by government that a health sciences complex would be built in Kingston. This was to fulfil two roles:

to provide updated teaching facilities for the medical faculty at Queen's University and to improve the outdated clinical facilities for patient care in Kingston. Originally \$110 million was allocated for Queen's and Kingston on the premise that local agreements could be developed between Kingston General Hospital and Hotel Dieu Hospital regarding division of responsibility.

Consulting firms were employed by Queen's, Kingston General Hospital and Hotel Dieu Hospital. These included Booz Allen and Hamilton Canada Ltd (United States) and Llewelyn-Davies Weeks Forestier-Walker and Bor (United Kingdom). It is estimated that these separate reports, when finally submitted, cost about \$1.5 million. At the time of submission the purse-strings of the provincial government were tightening after the financial fiasco at McMaster and with local disagreement between hospitals and university as to what should be built and where. Thus, all of the plans were shelved and a more stringent budget applied, with \$55 million to be spent to rebuild both hospitals on their present sites over a five- to seven-year period.

A new round of consultants was hired and thus far a new family practice centre has been completed at Hotel Dieu Hospital and a new outpatients' building at Kingston General Hospital. However, as of 1975-1976, it has become apparent in Ontario that medical faculties are producing too many doctors and particularly too many family practitioners.

The continued placement of the two active general hospitals in the downtown area of Kingston shows a lack of planning and a lack of foresight. The centre of population for the Kingston district has already shifted to the western limits of the city. Future population growth in Kingston township will displace the centre to Collins Bay by 1980.

The primary reason for a hospital is the provision of sickness care for the community that has supported its inception and has financed its operation for all but the past decade of governmental control. Thus, it must follow that the expenditure of \$55 million on two hospitals in downtown Kingston shows a complete lack of study of the future needs of the total community in a geographic sense.

In addition, the revamping of old facilities at Kingston General Hospital and Hotel Dieu Hospital cannot possibly produce modern hospitals. They will continue to be inefficient due to their "add-on" architecture. An inefficiently planned hospital architecturally will continue to be an inefficient hospital opera-

tionally because of the high labour costs for sickness care personnel.

A study of population trends along the north shore of Lake Ontario suggests that the Kingston area in the very near future will present a sudden increase in population pressure, as the industrial overflow from the Toronto-Hamilton area pushes eastward. This increase cannot affect the central Kingston area. It is filled at present. It follows that Kingston township with its new water and sewage system will receive this growth along with the township of Pittsburgh.

Thus, if efficiency and economy are to enter the sickness care field in Kingston, one hospital at least should be built in the west of the city near the Day's Gardiner-Bath Rd. area. This could occur without the high demolition costs incumbent upon the present rebuilding scheme, estimated at \$1,750,000, and with the sale of the downtown location.

The Hotel Dieu, the smaller hospital, is on an inappropriate site at present. The rebuilding of this hospital on its present site is criminally negligent of the sickness needs of the area and the cost of the venture. Yet, \$11 million has been allocated for this programme. There is only one reason for leaving this hospital on its present location. That is to satisfy the university's needs for proximity. This is a luxury that the taxpayer should not be forced to support. The present site of Hotel Dieu Hospital is overcrowded and does not meet modern specifications for green space. New buildings will not improve the efficiency. It will still be an old hospital with add-on new facilities.

The centre of population density of the Kingston area will, by 1980, be nearer Collins Bay. The present Hotel Dieu Hospital site worth is estimated at \$7 million. Demolition costs at Hotel Dieu Hospital will be approximately \$750,000. About \$11 million will be spent on demolition and rebuilding of the Hotel Dieu Hospital. Inadequacy of parking space at this hospital will continue unless the city is prepared to expand the Brock St. parking lot.

New construction of the Hotel Dieu Hospital on the new site would be cheaper and would produce a modern hospital with consequent efficiency of operation and savings in ongoing personnel expenses.

These are some thoughts on health care in Ontario. There should be a separation of the entities of (a) health, (b) welfare, social and community service, (c) unemploy-

ment insurance, and (d) workmen's compensation.

The Ontario government has gradually assumed complete bureaucratic and autocratic central control of all matters pertaining to health. This has been done ostensibly to present the population with a uniform standard of health care and, in the process, to control costs. This has failed completely and now the government should relinquish its control of hospital and medical management and supply, and allow the following:

Hospital insurance should be established through a re-established hospital services commission.

Medical insurance and dental insurance should exist through a medical-dental insurance commission or separate commissions for each service.

A credit card system for hospital, medical and dental insurance should be used. This would supply an ongoing method of verification of services performed or received. It would also notify users of the system on a yearly basis of how much their health care was costing.

A user's fee should be part of any health care system. This is presently used in the ambulance service in Ontario. This fee could be collected on a yearly basis by the hospital or medical-dental insurance commission from all patients not on social insurance. An incentive for payment would be an income-tax deductible clause.

And, the hospital insurance premiums should be paid by all except those people and their families on social assistance welfare. Three levels of insurance should be available—ward, semi-private, and private. The per diem rate in hospitals should be established for a region by a locally-appointed regional health council. The per diem rate would be collected by each hospital for the insurance commission.

Medical and dental insurance premiums should be paid by all except those people who are on social assistance. This insurance programme should include a user's fee, utilizing the credit card system. The basic fee for service as agreed by the medical and dental professions in concert with the commission should be pro-rated at 85 to 90 per cent as collection costs for the commission.

Hospitals: The control and management of hospitals should be returned to the board of management or directors of the hospitals concerned. The provision of adequate management capabilities should be implemented. The hospitals of Ontario should be set up as

corporate structures and allowed to employ all business practices of good management in private enterprise.

Hospital programmes and capital expenditures would be subject to review and approval by the regional health council before institution. Extendicare in the United States is building and operating hospitals as a private money-making enterprise. A foundation in England has also built hospitals with these ground rules. The techniques should be scrutinized for Ontario. Regional health councils appointed by and for the region would supply answers to questions at a local level. All control should be vested in the local hospital boards under the supervision of the regional council.

Hospital construction: Consideration could be given to a Crown corporation or to private enterprise to build and lease hospitals to communities. This could allow the development of a modular design for hospitals and the prefabrication of components at a greatly reduced cost. Communities must be re-involved in their hospitals. Since the Ontario government has assumed dictatorial control, most communities and their citizens have lost all interest and pride in the hospitals that have been built by the efforts of their forefathers in the past hundred years.

Local autonomy is necessary to regain the pride of ownership and the consequent endowments that formerly accrued to hospitals in bequests. This should be fostered once again in light of the total failure in a monetary sense of the present central dictatorial control of a Ministry of Health, 10 tiers deep, with political control at the top. Sickness care is too important to be cast into the political arena in totality.

The ratio of acute-care beds to minimum-care or chronic-care beds should receive immediate attention. One area in England has reduced its ratio of acute-care beds to two per 1,000 population. This is combined with 12 to 13 minimum-care beds per 1,000 popula-

tion. In the Kingston area, we have about one minimum-care bed per 1,000 and about 4.7 acute-care beds per 1,000. The difference in cost is \$18 to \$20 per day to \$94. The health-care package in Ontario has been developed on an ad hoc basis without planning for the total package. Study and recommendations on a regional basis would belong to the revamped Ministry of Health in conjunction with regional health councils.

Medical education: This should receive the attention of an inquiry shortly. Medical manpower needs should be balanced against the increasing use of nurse-practitioners and paramedical personnel. The size and magnificence of health-care complexes, such as McMaster, need not be repeated throughout Ontario. This theme can be developed with specific illustrations of wasteful practices presently employed in the expensive care facilities found in health science centres.

There is a great need for physical fitness in Ontario. It must begin at grade school level and pass through secondary schooling to adulthood. This should not be added to Health.

Mr. Speaker: Order, please. Perhaps the hon. member might find this a convenient place to break his remarks and he might move the adjournment of the debate.

Mr. McEwen moved the adjournment of the debate.

Motion agreed to.

Hon. Mr. Auld: Mr. Speaker, before moving the adjournment of the House, on Thursday we will go to the 11th order and deal with the estimates of the Ministry of Treasury, Economics and Intergovernmental Affairs.

Hon. Mr. Auld moved the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 p.m.

CONTENTS

Tuesday, May 4, 1976

Budget debate, continued, Mr. di Santo, Mr. McEwen	1971
Motion to adjourn debate, Mr. McEwen, agreed to	1995
Motion to adjourn, Mr. Auld, agreed to	1995

SPEAKERS IN THIS ISSUE

Auld, Hon. J. A. C.; Chairman, Management Board of Cabinet (Leeds PC)
 Breithaupt, J. R. (Kitchener L)
 Bullbrook, J. E. (Sarnia L)
 Conway, S. (Renfrew North L)
 Deans, I. (Wentworth NDP)
 di Santo, O. (Downsview NDP)
 Eakins, J. (Victoria-Haliburton L)
 Foulds, J. F. (Port Arthur NDP)
 Godfrey, C. (Durham West NDP)
 Good, E. R. (Waterloo North L)
 Haggerty, R. (Erie L)
 Mancini, R. (Essex South L)
 Martel, E. W. (Sudbury East NDP)
 McEwen, J. E. (Frontenac-Addington L)
 McNeil, R. K. (Elgin PC)
 Moffatt, D. (Durham East NDP)
 Morrow, D. H. (Ottawa West PC)
 Newman, B. (Windsor-Walkerville L)
 Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Samis, G. (Cornwall NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)
 Warner, D. (Scarborough-Ellesmere NDP)



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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Thursday, May 6, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159)

LEGISLATURE OF ONTARIO

THURSDAY, MAY 6, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

LEAD CONTAMINATION

Hon. Mr. Kerr: Mr. Speaker, later today I will table two reports dealing with lead contamination in the Toronto area. The first report is that of the lead data analysis task force which was completed and circulated recently. The second is the report of the Environmental Hearing Board on the public hearings held during 1975.

The hon. members will recall that the search for possible effects of secondary lead smelting processes began in June, 1972, after an analysis by my ministry detected a high content of lead in dust which had accumulated on a backyard table near a lead smelting plant in mid-Toronto. As a result of this discovery and the widespread public concern, two major studies were undertaken at the direction of my ministry and of the Ministry of Health.

The first was the report of the working group on lead, which included representatives of the ministries of Environment and Health, the Attorney General's office and the Toronto medical officer of health. This report containing 14 major recommendations was submitted in August, 1974.

The second report was that of the provincial study committee chaired by Dr. H. Rocke Robertson, which was appointed by the Minister of Health. The Robertson report, containing 20 recommendations, was submitted in October, 1974.

The hearings, conducted from January through October last year by the Environmental Hearing Board, were convened for the primary purpose of examining in public the 34 major recommendations of the two joint studies and were held as a result of the varying nature of the two studies, the degree of public concern and the various conflicts of opinion over the issue. Board members are to be commended on performing a most complex and thorough task and on the compilation of a comprehensive report.

The hearings produced the largest volume of transcripts and exhibits ever handled by the board. The report I am tabling represents the distillation of 7,663 transcribed pages of verbal submissions and 243 exhibits, many of these complex technical documents of more than 200 pages. The board has dealt with each of the 34 recommendations of the two prior reports. It visited the three processing plants in Toronto and two in Mississauga to obtain information.

The board's report is too comprehensive to deal with today in detail. For example, the report supports 28 of the original 34 recommendations wholly or with qualifications. In addition, it contains 15 supplementary or qualified recommendations and 28 further recommendations which are based upon 39 major conclusions. I suggest that those who require additional detail examine the original submissions and documents at the offices of the Environmental Hearing Board on St. Clair Ave.

Staff of my ministry and of the Ministry of Health require time to consider these recommendations and to plant their implementation. This will commence immediately.

While these reports were being prepared, my ministry conducted an ongoing abatement programme against the offending lead companies. A series of control orders issued to the companies has resulted in abatement improvements being undertaken at an estimated cost to the companies of \$3.1 million, of which \$2.1 million has been spent and \$1 million will be spent in the future. This programme is aimed at reducing the likelihood of any health concerns among people living near any of the lead plants.

It includes control orders issued against the Toronto Refiners and Smelters plant and the Canada Metal Co. plant which call for extensive improvements required by my ministry. Eltra of Canada's Prestolite plant and my ministry are working together to identify and control sources of dust at this plant. The company has undertaken voluntary steps to control in-plant fugitive lead dust sources in an effort to reduce lead in dust fall levels which are being monitored by ministry staff.

With respect to health concerns, the Environmental Hearing Board report includes among its major conclusions, the following:

No evidence was presented at the hearing that there have been any deaths from lead poisoning in Ontario in the past 14 years and, therefore, the board accepts the conclusion of the Robertson committee to this effect.

In its general review, the board supports the principle that, and I quote: "A programme for surveillance of community blood lead levels and related home environments be continued by public health authorities."

The board also recommends: the blood lead testing of children living in the vicinities of lead plants be continued; consideration be given to a testing programme for infants learning to crawl and for pre-school children in the vicinity of lead plants; blood lead testing of expectant mothers living in the vicinities of lead plants be adopted as a routine measure in pre-natal programmes.

I would point out that the report supports the monitoring arrangement of the recently established Advisory Council of Occupational and Environmental Health. This new advisory council, established by the government last September, consists of a chairman, Dr. Robertson, and representatives from the ranks of management, labour, universities, environmental organizations and consumers. In addition, there is one ex-officio member from each of the four ministries concerned—Health, Labour, Natural Resources and the Environment—and the council has a small support staff. In addition, an inter-ministerial standing committee has been established to ensure that recommendations of the advisory council are implemented.

Because of the size of the report and the time required to print it, copies are in limited supply for a short period. I have provided copies of both reports to the leaders of the opposition parties. Any other members may obtain copies from the office of the Speaker of the Legislature upon request.

MULTIPLE SCLEROSIS SOCIETY OF CANADA

Mr. Williams: Mr. Speaker, on a point of privilege, the members of the Conservative caucus consider it a privilege, as do I see the members of the other caucuses, to be wearing red carnations today in support of the Multiple Sclerosis Society of Canada's red carnation fund-raising campaign that is to be conducted over the next two-day period.

Mr. Speaker: That is not really a point of personal privilege, but it clears up the mystery that was in the Speaker's mind.

Oral questions.

LEAD CONTAMINATION

Mr. Lewis: A question for the Minister of the Environment on lead contamination, considering that there is much in the reports that will require time and study.

In the report of the lead data analysis task force, on page xvii, in the summary and conclusions, it says there is a correlation between blood level and concentrations of lead in topsoil. On page 25 of the major report, as conclusion No. 15, it says that the high levels of lead in soil probably contributed significantly to the oral intake of lead by those children whose blood lead levels were high.

Can the minister not, at least on this occasion, with the conclusive nature of the evidence now before him, undertake publicly to replace the topsoil in the immediate vicinity of those plants, or to add additional topsoil, or to pave it over—or to do something?

Hon. Mr. Kerr: In light of the fact that there is no difference of opinion between the findings of the hearing board and the lead analysis task force, certainly either option will have to be undertaken by the government in conjunction with the companies. I am happy to note that the report suggests the company pay for that work.

Mr. Lewis: That is interesting. By way of supplementary, then, can I ask: Will the ministry be using a regulation under the Public Health Act, a piece of legislation in the House, or, what method will the ministry use to order the companies to pay for replacement of the topsoil?

Hon. Mr. Kerr: I am not sure of this, but if there is a regulation or legislation exists that can be invoked to require the companies to do this, we will do that. However, it may be done by way of control order, or it may be done by way of persuasion. It may be done by way of the government undertaking the works and making a claim against the company for the cost of the works.

Mr. Lewis: It has been four years.

LAURENTIAN HOSPITAL

Mr. Lewis: A question, if I may, for the acting Minister of Health. When the board

of Laurentian Hospital was reconstituted, following the interim recommendations of the judge, why did the minister leave on the new board only one person from the old board, the single most-controversial person of all, about whom the inquiry largely dealt, and that is J-P. Lebel? Can she explain to the agitated citizenry of the Sudbury basin why this has happened?

Mr. R. S. Smith: Why did you leave him on at all?

Hon. B. Stephenson: Mr. Speaker, it was the judgement of the judge investigating Laurentian Hospital that the specific member was one of the two members who were, in fact, properly appointed to that board—and, therefore, should be left on.

[2:15]

Mr. Lewis: If I understand—we haven't yet seen the interim report; I think it is still at the printer's, is it not?—is the minister saying that Judge Waisberg himself suggested that J-P. Lebel should be on the new board or was that a decision that was taken by the ministry in conjunction with Mr. Fabbro and others?

Hon. B. Stephenson: No, this was not a decision taken by the ministry. The recommendation of Judge Waisberg was that those members of the board who, in his terms at least had been inappropriately appointed to the board and were therefore probably not legally members of the board, should be asked to resign from the board, and that the board should be reconstituted by leaving the two members—and there are two, Sister Claire being the other—who are legally, properly constituted members of that board and that, in addition to that, we should appoint at least six members to function as an interim board.

Mr. Lewis: When will we have the report?

Hon. B. Stephenson: We are not going through the process of proper printing. We are attempting to reproduce this as rapidly as possible so that the hon. members will have the report.

Mr. R. S. Smith: Supplementary: When will we have a newly appointed, permanent board without Mr. Lebel on it?

Hon. B. Stephenson: Under the Public Hospitals Act, the corporation of the hospital is of course entitled to elect a new board at its annual meeting, and that annual meeting must be held before Sept. 1.

Mr. Germa: Supplementary: Is the minister not aware that there is a petition circulating in the city of Sudbury and receiving widespread support, asking for Mr. Lebel's removal from the newly constituted board, and would it not be wise for her to dissolve the present corporation and start over from scratch without this person on that board?

Hon. B. Stephenson: I think it would be much more appropriate if we were to await the final report of Judge Waisberg before attempting any such action, and I'm not aware of that petition.

KINGSTON HOSPITALS

Mr. Lewis: Another question, if I may, for the acting Minister of Health. Is the minister aware of the very strong feelings on the part of the medical and administrative staff of the Hotel Dieu Hospital in Kingston about the cutbacks that took place in the two hospitals in Kingston—Hotel Dieu and the Kingston General Hospital—without taking into account their effort to integrate the teaching hospital relationships? Why could the minister not do in Kingston what she did in Hamilton?

Hon. B. Stephenson: It is my opinion that in fact the process of potential integration was taken into account in the analysis of the Kingston situation but, as in every other case, the Ministry of Health is discussing with those hospitals the proposals regarding cutbacks and adjustments are being made in those instances in which we are given additional information.

Mr. Lewis: By way of supplementary, as the ministry is ultimately doing in Hamilton—since it has changed the position there dramatically, even in the last 24 hours—did the minister's letter yesterday not indicate that Chedoke would have a larger bed complement than was said some time ago?

Hon. B. Stephenson: That was certainly not a change in position on the part of the ministry.

Mr. Lewis: No? Did the minister not announce, a number of weeks ago, a significant phasing-out of those beds at Chedoke?

Hon. B. Stephenson: No. If I may respond to that, it was a statement that was sent by the ministry to the district health council in Hamilton, suggesting that on the basis of recommendations made to the ministry, that would be an acceptable course of action. When the district health council of Hamilton

suggested it might be given the responsibility, as we had asked previously, to make the adjustments in that city regarding its hospital bed services, we agreed to that course of action and that's precisely what we followed.

PETERBOROUGH CIVIC HOSPITAL

Mr. Lewis: I would like to ask another related question, if I may. Has the minister found the reason for the regression analysis change in the amount of money for the Peterborough Civic Hospital? Could she explain that?

Hon. B. Stephenson: I don't have all of the details—I have them on paper somewhere, as a matter of fact, if the Leader of the Opposition would like them—but I do know that the initial regression analysis did not really include as much of the information about the very large outpatient service, which is extremely unusual for a hospital in a city with a population of that size. The outpatient service in Peterborough is remarkably large and remarkably efficient, and in fact it was not included properly within the information given to us for the regression analysis programme. When that information was amplified and we were made aware of the excellent job they are doing in providing outpatient services, which is precisely what we are asking other hospitals to do, then the position was modified and the request was modified.

Ms. Sandeman: Supplementary: Is the minister not aware that the Peterborough Civic Hospital had been providing information about its outpatient services to the ministry since last June in connection with its budgetary problems, and that that detailed information was available to the ministry for almost a year now?

Hon. B. Stephenson: Some of the information was available to the ministry, that is true. Not all of it was, in fact, easily available to the ministry at the time that the regression analysis was done.

Mr. Lewis: Supplementary: Does the minister not find it odd that in every single instance the hospitals of Ontario were at fault in the complexity of this regression analysis and that the Ministry of Health was unfailingly accurate? Perhaps it lies in the other direction, if the minister will give herself a chance to look at it.

Hon. B. Stephenson: Mr. Speaker, I have not said the ministry was without fault. In fact, I stated in this House not one week

ago that the ministry did not, unlike the official opposition, consider itself infallible.

GRAVEL PITS APPEAL

Mr. Lewis: A question of the Minister of Natural Resources, if I may, Mr. Speaker: Does the minister have in front of the cabinet as yet the appeal from the Ontario Municipal Board decision on the two major gravel pits in the Huron area?

Hon. Mr. Bernier: Mr. Speaker, I'm not aware just where the appeals lie at the present time, but I'd be glad to find out for the hon. member.

ASBESTOS PROBLEM AT HEDMAN MINES LTD.

Mr. Lewis: One last short question, if I may, for the acting Minister of Health: Did the minister suggest, in a reply a week or two ago regarding the information I had sought about the asbestos levels at Hedman Mines Ltd., that what, in fact, has happened is that the ministry has gone out and done further tests and that she is now awaiting the result of that testing?

Hon. B. Stephenson: No, Mr. Speaker, what I had stated was that we had not the complete report at that point, because we did not have the engineer's report. I may say to the hon. Leader of the Opposition that the complete report has been sent to him.

Mr. Lewis: It's on its way? Oh, thanks.

RESIDENTIAL SERVICES REPORT

Mr. S. Smith: A question for the Minister of Community and Social Services: Is the minister waiting until the Browndale audit is completed before releasing a report from within his ministry, by Magder and Anderson, on the subject of group homes? Does the minister, in fact, intend releasing this report?

Hon. Mr. Taylor: Mr. Speaker, if the leader of the Liberal Party will identify the report that he has in mind I may be able to help him. There has been an interministerial committee report on the whole field of residential care that was chaired by Mr. Anderson. If that's the one that he's referring to then I would like to know and I could answer him further from there.

Mr. S. Smith: If I may respond, there is an interministerial committee report that the minister is referring to, but there is also a report by Magder and Anderson, which I gather has been on the minister's desk for a month, and I wondered if he would like to make that particular report, and the other interministerial committee report, public or at least take the House into his confidence?

Hon. Mr. Taylor: First of all, the report has not been on my desk for a month.

Mr. Eakins: Three weeks?

Mr. Good: Twenty-nine days?

Mr. S. Smith: You admit to there being one?

Hon. Mr. Taylor: Furthermore, in terms of the interministerial report, when the recommendations are considered by government a determination will be made in terms of its release. In regard to any other report, I will investigate, or at least review it, and if there are further particulars that the leader of the Liberal Party wishes in connection with that then I would be happy to help him.

Mr. Lewis: A quick supplementary: Is there, in fact, a separate report, in addition to that interministerial committee report?

Hon. Mr. Taylor: I haven't seen the report. I was asking for additional information because I know it's not on my desk. If that report—a separate report from the one I referred to—is available then, of course, I will get further information, as I indicated, and be happy to answer further questions on it.

CONESTOGA SCHOOL OF NURSING

Mr. S. Smith: To the Minister of Colleges and Universities: Is it a fact that he is closing the Conestoga College School of Nursing, and, if so, could he explain this action to the House?

Hon. Mr. Parrott: No, we're not closing the Conestoga School of Nursing.

Mr. S. Smith: As a supplementary, can the minister confirm that a group of nursing students confronted him in Cambridge, forming a picket line, and they protested the provincial cutback of student places at nursing schools and urged him to keep their school open for one more year to enable them to finish their two-year course? Is there some particular reason they were picketing him?

Hon. Mr. Parrott: Yes, indeed. I did visit with those nurses last night but it was a discussion on the closing of the Cambridge branch of Conestoga College and not the Conestoga College School of Nursing. There were five of them, there are now four. I think the president of the college and the chairman of the board spent a great deal of time on that problem.

I know the president visited with them yesterday. I think the nurses are in total sympathy with the concept of the need to reduce the number of registrations. I believe the president and the chairman have worked very hard to resolve a particularly difficult problem for the Conestoga catchment area.

Mr. S. Smith: A quick supplementary: Can the minister assure us that the nursing students who are in the Cambridge branch of the Conestoga College School of Nursing will be able to complete their nursing education within Conestoga College in some reasonable manner?

Hon. Mr. Parrott: Yes, they will be able to complete their course this year. I understand that most of them will be able to complete it within the hospital at Kitchener. I'm not sure whether all of them will be able to stay as a class unit but by far the vast majority of them will, and there will be no disruptions in their training as far as they are personally concerned except for a relocation of locale.

Mr. Davidson: I have a supplementary. Would the minister consider the wishes of the girls who are taking their training course at the Doone branch of Conestoga College and who have openly come to him and requested that they be allowed to complete their own year at that school and at the South Waterloo Memorial Hospital? Would he take that into consideration?

Hon. Mr. Parrott: I believe the chairman and the president have given a great deal of consideration to that particular problem. They have consulted with the nurses in training. I think that is their responsibility and it should rest with them. I've assured myself unconditionally that they've made every effort to accommodate those 38 students to the very best of their ability.

POPULATION GROWTH PROJECTIONS

Mr. S. Smith: I have a question of the Treasurer. Is the Treasurer at all concerned about the statement by Mr. Taylor of Nepean Development Consultants who said that vari-

ous government and private projections concerning Ontario's population projections, in terms of our growth, differ from each other by as much as 25 per cent and that he feels the estimates are 25 per cent too high? Are we to be concerned about this at all?

Hon. Mr. McKeough: No, Mr. Speaker, I would not say so. I think the 25 per cent headline is misleading. It's the difference between the final figure he uses, which is 11 million, and the one we are using, 11.6 million, which is a difference of five per cent and not 25 per cent. Certainly, our figures have been wrong before—

Some hon. members: Yes.

Hon. Mr. McKeough: —based as they are on Statistics Canada.

Mr. Kerrio: When is the minister going to do his own work?

Mr. Ruston: That's the accounting of his assessment department.

Hon. Mr. McKeough: Certainly, some of the projections—and we've said this—in the original TCR, for example, use population figures for the province by 2000, as I recall, of up to 13 million. Those were mainly based on 1961 census data and we have revised our figures, of course, since the 1971 data became available in about 1972 and 1973.

[2:30]

We still think the figure of somewhere between 11.5 million and 12 million is reasonable by the year 2000. It doesn't alter our planning that much; we've said this on a number of occasions. Whether we reach a population of 11.5 million in this province in the year 1995 or whether it takes to the year 2010 is not all that important. We'll adjust the figures closer to the time.

The fact is that we are looking at a population which, either in the next 25 years or in the next 35 years, is probably going to grow by 3.5 million people, and I think our responsibility is to prepare for that. As I say, whether the projection works out exactly to the year 2001, or is a little before or a little later, I don't think is that significant.

Mr. S. Smith: Supplementary: Granted we can assume that at some point in our history our population will expand, but if accuracy doesn't mean that much can the Treasurer explain why he is paying so many experts in his ministry to come up with these projections? Can he tell us whether we are to pay any attention to the source of projected trends? This person points out that this is

going to put into jeopardy the whole York—Durham servicing scheme. Does he not feel that is true?

Hon. Mr. McKeough: No, Mr. Speaker, I don't. If the member wants me to be definitive, I will put much greater faith in the experts in my ministry and the federal government and other places than I will in one single commentator, who has turned up in the *Globe and Mail* this morning from Nepean, in whom the leader of the Liberal Party is putting great faith.

Mr. Singer: Does the minister believe Webster or not?

HOSPITAL CLOSINGS

Mr. Grossman: I have a question of the acting Minister of Health. I have listened to the explanation of what happened with Chedoke Hospital and I wonder why the ministry didn't follow somewhat the same procedure when it came to assessing whether or not Doctors Hospital had to be closed.

Hon. B. Stephenson: Mr. Speaker, had there been a district health council in Toronto we most certainly would have followed the same procedure. Had we followed recommendations of the one existing health council which has been present within the city of Toronto and had some responsibility in planning for hospital care, I am afraid Doctors Hospital would have been closed six years ago.

Mr. Singer: Why didn't you close it then? We never would have had Grossman if you had closed it then.

Mr. Grossman: Surely the issue is not who concluded there was an alternate way to save money, but rather, is there an alternate way to save money? Just because it happens to be the district council—

Mr. Speaker: Order, please. You are debating the minister's answer. Is there a further question?

Mr. Grossman: Well I want to rephrase it. Had an alternate way to save money been shown in the city of Toronto, as there was in Hamilton, would Doctors Hospital equally have been left open?

Mr. Lewis: Probably it was not given that chance.

Hon. B. Stephenson: Mr. Speaker, these are two entirely different situations, as a

matter of fact. I think they have to be looked upon and examined with the criteria available in both situations. The practice and the process being carried on in Hamilton right at the moment has been carried on in Toronto previously and is in fact being carried on now in terms of the other institutions involved. The criteria upon which the decision was made regarding Doctors Hospital were those used for all the other hospitals that we considered in the same position throughout the province. The criteria, I think, were valid, and continue to be valid in terms of the long-term expectations of the Ministry of Health regarding the improvement of the health care programme.

Mr. Conway: How much is the ministry going to save?

Hon. B. Stephenson: I'll tell the member that later.

ONTARIO SECURITIES COMMISSION INVESTIGATION

Mr. Renwick: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. Will the minister find out whether the Ontario Securities Commission has a file 706B which was opened in 1966, later renumbered 88-706B, later renumbered file B88, also known as Priority 88? If there is such a file, would he peruse it, if he has the time, and in due course report to the House as to whether he is satisfied with the investigation that was made, what the cost was to the people of Ontario for that investigation, and whether or not he approves of the methods which were used at that time?

Hon. Mr. Handleman: Mr. Speaker, I think, along with every other member of this Legislature, I received something on my desk this morning pertaining to that particular matter. Yes, I will look into it; and yes, I will have an answer for the hon. member.

Mr. Lewis: The minister should have it at his fingertips.

ALGONQUIN PARK

Mr. R. S. Smith: I have a question of the Minister of Natural Resources. Since it's now eight years since the first master plan for Algonquin Park was unveiled and it's now some three years since his definitive policy was outlined by the minister, could he tell me when he's going to initiate those policies that were in the report of the advisory committee

and which the minister accepted and made public? I refer particularly to those very simple policies to do with outboard motors, the banning of bottles and cans completely from the park, as well as some regulatory system as to the numbers of people who are allowed to stay within the park at specific places.

Hon. Mr. Bernier: As the hon. member well knows there were something like 32 recommendations in that particular report. We accepted 28; I think we accepted in principle parts of two other recommendations; and there were two that we rejected.

I have to say to the member that we are going through an educational period at the present time. We issued a number of brochures that we're distributing to visitors to Algonquin Park in order to prepare them for what will come in the weeks and months and years ahead—one being, of course, the banning of outboard motors in a year or two.

The ban on cans and bottles is something on which we're working very closely with the Ministry of the Environment, and I hope to have something more positive to say later on this year.

Mr. R. S. Smith: Supplementary: Does the minister not consider eight years a long enough period of time to go through some type of dialogue with the public before he comes down and puts in effect the recommendations?

Hon. Mr. Bernier: Mr. Speaker, I don't think it's been eight years. But I have to say in this particular event we did invite and receive—and we appreciate the amount—public involvement in the preparation of what is the master plan. I think it's one of the finest master plans on the North American continent for any park.

Mr. Reid: It hasn't taken that long in Quetico.

Hon. Mr. Bernier: Now that we've got this information, we're moving with it. We've accepted the recommendations and we're going to work with the public in implementing these recommendations of the advisory committee.

Mr. Godfrey: Supplementary, Mr. Speaker: Inasmuch as the Minister of the Environment (Mr. Kerr) does not have a definite plan of any sort for cans or bottles, does the Minister of Natural Resources not consider that he's placing Algonquin Park in considerable jeopardy if he waits for the Minister of the Environment to come out with the plan?

Hon. Mr. Bernier: No, Mr. Speaker.

MUNICIPAL GOLF CLUB MEMBERSHIP FEES

Hon. Mr. Handleman: I had a question from the member for Windsor-Walkerville on Friday, April 23, concerning the membership fee of \$10 being charged at municipal and other golf courses, and at the time he asked the question he indicated that this fee was a requirement of the Liquor Licence Board of Ontario.

I can advise the House that under the Liquor Licence Act, 1975, golf courses which are of regulation length and which are open to the public upon payment of a fee or other admission charge are classed as a recreational facility. These courses are eligible for a dining lounge licence, a dining room licence, a lounge licence or a public house licence. There is no membership fee involved; the Act, in fact, requires that the facility be open to the public on a pay-as-you-go basis.

A private golf club is defined in the Act as not being operated for pecuniary gain and these clubs are required to have members who must pay an annual membership fee of not less than \$10.

Mr. Speaker, I know of no private golf course in Ontario where the membership fee is less than \$10.

Mr. B. Newman: Supplementary: Is the minister aware of the other attachment I gave him, with the statement on the back that this is a \$1 fee toward a final \$10 fee for the right to play golf at a golf club?

Hon. Mr. Handleman: The document which the hon. member gave me was clearly from a municipal golf course and I have just explained that under the Liquor Licence Act there's no requirement on a municipal golf course to set any membership fee whatsoever.

INCO FATALITIES

Mr. Martel: Mr. Speaker, a question of the Minister of Natural Resources, if I can get his attention: Of the five fatalities which have occurred at International Nickel this year already, three have occurred on the 600-ft level within 100 ft of each other. Can the minister indicate if investigations have occurred; the results of those investigations; and what in God's name we have to do to reduce the number of fatalities that are occurring on the 600-ft level at Frood?

Hon. Mr. Bernier: Mr. Speaker, as the hon. member well knows, both Inco and my ministry worked very closely on this particular situation. It's quite true, I believe, there have been three fatalities in the last three or four months, for a number of obvious reasons. Inco, on its own, did close certain levels and we encouraged the company to close some others.

I haven't had a report from my staff lately but I'll certainly check into it to find out where that issue stands and what corrective measures are taken, because it was my understanding they would not be opened up until they were declared entirely safe for future employees.

Mr. Martel: A supplementary: Would the minister at the same time examine the experience and the age of those men involved to determine if it's possibly inexperience and lack of training which has led to these fatalities?

Hon. Mr. Bernier: Yes, Mr. Speaker, I'll be glad to do that.

NON-RETURNABLE CONTAINERS

Mr. Gaunt: Mr. Speaker, I have a question for the Minister of the Environment. Now that the minister has had a considerable length of time to examine the recommendations contained in the waste management report on soft drink containers, can he give this House some idea of the type of legislation he intends to introduce—or favours—to increase the use of refillable containers in the province?

Interjections.

Hon. Mr. Kerr: Mr. Speaker, I hope to introduce legislation either tomorrow or Monday to amend the Environmental Protection Act. Because it's not quite clear as far as power to make regulations is concerned, I hope to amend the Act to give the government—the Lieutenant Governor in Council—the authority to pass the necessary regulations to implement the recommendations in that report.

Mr. Gaunt: A supplementary, Mr. Speaker. Is the minister taking any action to require that the soft drink industry develop standard refillable containers by the time the metric system is fully operative in Canada beginning in 1977? Will that be part of the legislation?

Hon. Mr. Kerr: Yes, Mr. Speaker, that was one of the recommendations in the report—

the question of the standard generic bottle size and shape—and I would assume that would be dealt with in the regulations as well.

Mr. B. Newman: A supplementary, Mr. Speaker: Will the minister's legislation or regulations mean that both the city of London bill and the city of Windsor bill, which are awaiting action in the committee, will not be necessary?

Hon. Mr. Kerr: It really depends on what happens to my legislation as it goes through the House.

SUDBURY FLOODING

Mr. Germa: Mr. Speaker, a question of the Minister of Natural Resources: I'm aware the mayor of the city of Sudbury has requested certain authority to control flooding in the city of Sudbury. Is the minister aware that due to negligence on two different occasions by the Nickel Belt Conservation Authority the city of Sudbury was endangered? Will he turn over the power of controlling the Maley Dam and the Frood Mine Dam to the corporation of the city of Sudbury?

Hon. Mr. Bernier: Mr. Speaker, I can't totally agree with the hon. member's comments about the negligence of the conservation authority. We have some 38 conservation authorities in the Province of Ontario which have been given the responsibility for flood plain and flood control. They've done an excellent job over the last 27 years, as has the Nickel Belt Conservation Authority in my opinion.

I would be very reluctant to turn over authority for those particular dams to the city of Sudbury, knowing full well the experience and expertise the conservation authority has in this particular area. I do think that maybe a system of increased co-operation can be worked out between the conservation authority and the city, and I'd be prepared to take that on as an obligation to make sure that co-operation is improved.

Mr. Germa: A supplementary, Mr. Speaker: How does the minister square that with the event which happened recently? The mayor of the city of Sudbury had to break into the control valves at the Maley Dam—he is now possibly facing criminal charges for breaking and entering—in order to save the city from being flooded out because there was nobody from the conservation authority in the city of Sudbury or in the area?

Hon. Mr. Bernier: Mr. Speaker, I was made aware of those particular circumstances. I can't really condone anyone doing what the mayor did, but of course the courts will have to decide that. It's not up to me to comment on it.

I would have to say to the hon. member that the conservation authority is responsible for an area much larger than just the city of Sudbury, and while there may be some misunderstanding or some problem in this particular case, I don't think it will be a regular occurrence.

[2:45]

FEES FOR FOREIGN STUDENTS

Mr. Worton: I have a question of the Minister of Colleges and Universities. In regard to the minister's announcement on Tuesday about fees to be charged foreign students by Ontario, has he given any special consideration to rates in regard to students from the third world, as we would term it?

Hon. Mr. Parrott: Yes, we have given a good deal of thought to that particular portion of it. We feel it is very definitely related to negotiations that we are carrying on with the federal government. I think I would like to remind the member that if one makes the assumption that a student from the third world necessarily is poor, that is not a favourable assumption to make. On the other hand, if we can be assured that a student from a third-world country is poor and is prepared to return to assist that third-world country in its development, then we will pursue that course of action with the federal government. We think there is a very direct relationship here with the federal government, and that's the approach we are taking.

Mr. Warner: Supplementary: Will the minister be able to table for us shortly some statistics indicating precisely how many students enrolled in undergraduate and graduate programmes at universities in the Province of Ontario are either non-Canadian or do not have landed-immigrant status? Is it possible to obtain those figures shortly?

Hon. Mr. Parrott: I am able to give the approximate percentages now. I don't have the exact number. If the hon. member would be satisfied with the approximate percentages, there are five per cent in the undergraduate courses, about four per cent in the community college system and slightly less than 15 per cent—14-odd per cent—in the graduate departments of our universities.

Mr. Sweeney: Supplementary: Has the minister given any consideration to reciprocal agreements with other jurisdictions so that Ontario's students could get a lower tuition fee, instead of getting more money for Ontario by charging foreign students a higher fee?

Hon. Mr. Parrott: I can't say I have given any consideration to that. I think that is something that will have to be negotiated through the federal Minister of Manpower and Immigration. He and I have had a great deal of correspondence on this whole subject and we are proceeding to negotiate many items with that particular department. I don't think I can add more to that at this time.

Mr. Renwick: Mr. Speaker, by way of supplementary, would the minister consider making a detailed supplementary statement to the statement he made about the fees for foreign students, advising the assembly of the extent to which funds are available by way of bursaries, loans, scholarships or other assistance, either through this government or the government of Canada, and what the procedure is by which it would be possible to maintain reasonable access to the universities in the Province of Ontario for students from other parts of the world, particularly from the third world?

Hon. Mr. Parrott: I will be glad to add to my previous statement, but I would have to remind this House that there is no limitation on the access to our system now. I would certainly not want to allow that assumption to go unnoticed. If the hon. member wishes more details, for instance, on the fees that are charged by any particular country, or by several countries, we have those and I will be glad to supply them.

TEMAGAMI AREA BUILDING FREEZE

Hon. Mr. Bernier: On April 23, the hon. member for Nipissing (Mr. R. S. Smith) asked me a question with respect to the caution on 110 townships by the Bear Island Indian band. I would reply as follows:

In July, 1974, two lawyers from the Crown law office met with the chief of the band and the band's legal counsel in order to attempt to obtain background information concerning the claim, so as to advise this ministry and prepare any litigation which might have ensued. Subsequent to that meeting, the Ministry of the Attorney General and my ministry collaborated on an examination of the issues involved and the development of a submission to present to cabinet.

In April, 1975, I advised the hon. member that the draft of the submission was in a final form and would soon go to cabinet. However, soon after that the lawyer from the band served notice of his intention to seek redress on behalf of the band under the Proceedings Against the Crown Act.

Since it appeared that the matter would be brought before the courts by the band, no further action was taken. However, the band has not pressed this matter of seeking redress in the courts. As a consequence we are again pursuing the matter with cabinet. At this time the submission is before me and will be presented to cabinet shortly. Once the cabinet has made its decision, it is our intention to act upon it as quickly as possible.

SOUTH RIDEAU DEVELOPMENT

Ms. Gigantes: Mr. Speaker, a question of the Minister of Housing: I wonder if the minister has decided who will pay the costs of discovering the costs for putting in artificial lakes around his proposed OHAP development in the South Rideau area; who will pay those final costs?

Hon. Mr. Rhodes: If I understand the hon. member correctly, I thought she said who would pay the discovery costs?

Ms. Gigantes: The costs.

Hon. Mr. Rhodes: I understand that there has been a substantial change in what the costs were originally anticipated to be to take care of this problem. The cost in that particular case I would have to assume would become part of the cost of the development of each of the units that would be serviced by that particular facility.

Ms. Gigantes: Mr. Speaker, a supplementary: Is the minister aware that Mr. Larry South of the Ministry of the Environment, who wrote to members of the South Rideau urban community committee, indicated the costs for controlling pollution in that area were unknown? They are still unknown, and I am wondering who is going to pay for finding out what those costs are and who will pay for the cost in the final analysis?

Hon. Mr. Rhodes: I am aware of the letter to which the hon. member is referring. I should inform the hon. member and the House that Mr. South's assessment is not correct. I have received information as to what the final cost could be; it has been estimated to be in the area of \$100,000 and

this works out to approximately \$60 per unit. That would, of course, be assessed against the particular units using that service.

Mr. Lewis: A hundred thousand dollars for artificial lakes? Come on, John.

HIGHWAY 11 ACCIDENT STRETCH

Mr. Stong: Mr. Speaker, I have a question of the Minister of Transportation and Communications: Is the minister aware that in the year 1974 on that 2.5-mile stretch of Highway 11 north of Highway 7, which serves a population of over 6,000, there were: one fatal accident; 44 personal injury accidents; and 113 property damage accidents? Last year there were 35 personal injury accidents and 83 property damage accidents. And is the minister aware that out of the 23 intersections on that stretch of highway only two are governed by stop lights?

What is the ministry doing with respect to installing more traffic lights and/or reducing the speed limit? And is the minister aware that the council of Richmond Hill passed a resolution early in 1975 requesting that the ministry tend to this matter?

Hon. Mr. Snow: To start with the last part of the question first, I was not aware of that resolution in 1975. I was not the minister at that time but I will inquire about the resolution. I will also look into the statistics that the hon. member has recited; I obviously am not aware of all those statistics on that particular highway.

SOUTH RIDEAU DEVELOPMENT

Hon. Mr. Rhodes: Mr. Speaker, I believe I may have misled the hon. member for Carleton East with my answer. I misunderstood what the original part of her question was.

I was referring to the necessary costs that would be incurred to bring into development the Borden farm. I apologize to the hon. member; I was not referring to the whole south urban community.

Ms. Gigantes: I mean Sidney Handleman's 3,000 acres.

Mr. Lewis: You can call it the Handleman dam.

Hon. Mr. Rhodes: The member means the entire south urban community? Well, I can only say that if it is my colleague from Carleton's, I want nothing to do with taking any part of it.

PUBLIC HEALTH NURSES' NEGOTIATIONS

Ms. Sandeman: A question of the Minister of Labour: Is the minister aware that conflicting initiatives by the two ministries for which she now has responsibility seem to have resulted in a virtual standstill in negotiations between public health boards and their employees across the province?

Hon. B. Stephenson: Mr. Speaker, there most certainly have not been conflicting initiatives. As a matter of fact, the ministries have been working together attempting to persuade the public health boards to return to negotiations with the public health nurses in the Province of Ontario.

There has been certainly no conflict. There has been a good deal of co-operation and we are very hopeful that as a result of this co-operation—which has been, I will tell the member, at the deputy minister level within both ministries—this difficult situation may be resolved.

Ms. Sandeman: A supplementary, Mr. Speaker: Would the minister not agree that there is some kind of a conflict when the Ministry of Labour assures the employees it will help them get some kind of compulsory arbitration process for public health units, and the Ministry of Health, in a letter to the employers, tells them that the government will not pay for arbitration awards over eight per cent?

Mr. Nixon: The one ministry doesn't know what the other one is doing.

Hon. B. Stephenson: I can tell the member that one of the letters sent from the Ministry of Health—

Mr. Reid: Schizophrenia is terrible.

Hon. B. Stephenson: —was sent before I was Minister of Health. However, that is not a solution to the problem. Indeed, we have been working—both ministries have been working together—in an attempt to find a solution to the problem. Certainly there is no conflict.

Mr. Lewis: You're not yet Minister of Health. That was an interesting slip.

Mr. Speaker: The oral question period has expired.

Petitions.

Presenting reports.

Hon. Mr. Kerr presented the report of the Environmental Hearing Board on public hearings held on lead contamination in the Metropolitan Toronto area; and the report of the lead data analysis task force.

Mr. Breaugh, on behalf of Mr. Lawlor, from the standing private bills committee presented the committee's report which was read as follows:

Your committee begs to report the following bill without amendment:

Bill Pr12, An Act respecting the City of Burlington.

Your committee begs to report the following bills with certain amendments:

Bill Pr13, An Act respecting the City of Toronto.

Bill Pr21, An Act respecting the Dovercourt Baptist Foundation.

Your committee further recommends that the House give unanimous consent to the suspension of standing order 61(e) so as to permit clause 5 of Bill Pr9, An Act respecting the Kent County Roman Catholic Separate School Board, to be reported without amendment and the remainder of the bill with certain amendments.

Mr. Speaker: Before I put the question for unanimous consent, as was requested in the report, are there any hon. members who wish to speak to this matter?

Mr. Renwick: Mr. Speaker, it has been suggested that a word of explanation to the House would be in order. The particular rule the private bills committee is requesting be suspended by unanimous consent is rule 61(e) of the standing orders of the House. It's in connection with Bill Pr9, An Act respecting the Kent County Roman Catholic Separate School Board.

The rule states that in the event of the commissioners of estate bills reporting that in their opinion it is not reasonable that the bill submitted to them shall pass into law, such bill shall not be further considered.

At the hearings yesterday, Bill Pr9 was considered at great length. An excellent submission was made on behalf of the applicant for the private bill. There was no opposition to the bill. While the commissioners of estate had indicated—Mr. Justice Jessop giving the opinion—that the bill should not be proceeded with in that form, nevertheless, after careful consideration and canvassing of it by members of the committee, it was decided that the bill should be reported to the House, provided unanimous consent could be obtained.

I may say that the committee was unanimous on that matter as well. There was no division in the committee, there was no opposition to the bill and the matter was thoroughly canvassed.

While I understand that there is no exact precedent for doing so, I understand that in the days of a previous government a bill was actually passed through this assembly dealing with an estate matter without any reference to the commissioners of estates. For whatever solace that kind of a precedent may be, I would ask that the bill be reported and that the unanimous consent to suspend the rule insofar as it relates to Bill Pr9 be granted by the House.

[3:00]

Mr. Nixon: As a member of the committee, I would certainly urge the members of the House to grant unanimous consent for the suspension of that rule. Being a member of the committee, as I say, and listening to the submissions, it was certainly my personal opinion that the suspension of the rule would be very much in order so that the bill might be properly reported back to this House and enacted, without any delay, into law.

Mr. Speaker: Do we have the unanimous consent as requested in the report?

Agreed.

Report agreed to.

Mr. Speaker: Motions.

Hon. Mr. Welch moved that, notwithstanding the standing order 87(e), the Estimates of the Provincial Auditor be referred to the miscellaneous estimates committee and that no time be deducted from the proceedings in the committee of supply.

Motion agreed to.

Mr. Speaker: Introduction of bills.

WINDSOR BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

Hon. Mr. Wells moved first reading of bill intituled, An Act respecting the Board of Education for the City of Windsor and Teachers Dispute.

Motion agreed to; first reading of the bill.

Hon. Mr. Wells: I think the title of the bill and the knowledge the members have of this situation make this legislation self-explanatory. I certainly regret having to be here today to introduce this bill. I believe

the best way is for people to settle their own problems themselves or in this case arrive at a negotiated settlement. However, this has not happened in the matter concerning the Windsor secondary school teachers and their board. In the interests of the thousands of students who are now well into some 20-odd days of missing classes, I think the duty of this government and this Legislature is now to reopen those schools and to provide for a means of settling the dispute and that's what this bill does. I hope we will be able to proceed expeditiously with it today and that the schools in Windsor will be open next Monday morning.

PERSONAL PROPERTY SECURITY ACT

Hon. Mr. Handleman moved first reading of bill intituled, An Act to amend the Personal Property Security Act.

Motion agreed to; first reading of the bill.

Mr. Deans: Where is the home warranty Act? That's the one I want to see. We have been waiting three years for it.

Hon. Mr. Handleman: The amendment provides a means for registering security interests that were registerable but were not registered before the Personal Property Security Act came into force on April 1, 1976.

VITAL STATISTICS AMENDMENT ACT

Hon. Mr. Handleman moved first reading of bill intituled, An Act to amend the Vital Statistics Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Handleman: Mr. Speaker, the amendment permits, upon request, the registration of a double surname as the name of the child.

CITY OF THUNDER BAY AMENDMENT ACT

Hon. Mr. McKeough moved first reading of bill intituled, An Act to amend the City of Thunder Bay Act, 1968-1969.

Motion agreed to; first reading of the bill.

Hon. Mr. McKeough: Mr. Speaker, this Act provides for the extension of the time in which the city of Thunder Bay would otherwise be obliged, under the Municipal Elections Act, to file information relating to subdivisions for purposes of compiling a munic-

ipal voters' list for the elections to be held before the end of 1976.

ONTARIO HUMAN RIGHTS CODE AMENDMENT ACT

Mr. Bounsall moved first reading of bill intituled, An Act to amend the Ontario Human Rights Code.

Motion agreed to; first reading of the bill.

Mr. Bounsall: Mr. Speaker, the purpose of this bill is to amend the Ontario Human Rights Code to prevent additional discrimination in employment in all its forms on the basis of physical disability, criminal record, political affiliation and sexual orientation.

Mr. Singer: Just got that in under the wire.

Mr. Speaker: Orders of the day.

Clerk of the House: The 10th order, House in committee of supply.

ESTIMATES, MINISTRY OF TREASURY, ECONOMICS AND INTERGOVERNMENTAL AFFAIRS

Mr. Chairman: Does the minister have an opening statement?

Hon. Mr. McKeough: Mr. Chairman, I have two. One, because I wasn't here at 2 o'clock, I thought I might give now; and one is a brief note.

Members will recall that it was announced in one of the papers issued with my 1976 budget a month ago that a commission would be appointed to receive submissions and make recommendations on the new property tax system we are proposing for Ontario.

Today I'm pleased to be able to announce that Mr. Willis Blair, of the Ontario Municipal Board, will be serving as chairman of this commission and that nine other very well-qualified citizens have consented to serve with him.

Mr. Blair and his commission will begin early in June to conduct a series of meetings at which they will receive submissions and solicit comments from local government leaders, property taxpayers and all other interested parties. Discussion will focus largely on the 15 proposals set out in the budget paper, as the foundation for the new tax system based on market value assessment.

The commission will be holding its meetings throughout the summer and part of the fall and will be making its recommendations to the government in the late fall.

In addition to Mr. Blair, the commission will consist of Mr. Allan Cooper, of Toronto; Mr. John Darling of Waterloo; Mr. Henry Davis of Essa township; Dr. Joseph Fyfe of Sudbury; Mr. Dean Henderson of Mississauga; Mr. Edward Mitchelson of Niagara Falls; Mrs. Irene Mooney of Kingston; Mr. Robert Simon of Mississauga; and Mr. Ronald White of London township. There may be an additional name in a week's time.

I'm fully confident that this new commission through the generation of public participation will do much to further the basic objective of this reform programme, which is to establish a taxation system based on market value assessment that will be as efficient and equitable as possible.

I thought I might just make a couple of introductory remarks at this time. It's nice to have Mr. Blair with us today. He is well known to members of the House. We are grateful to the Municipal Board for seconding him to us for this purpose. I think an identification paper, if that's the right word, was distributed of the various votes and items and how we suggested they might be handled. Several of the distinctions between votes, I might say, confused me, but we can deal with that when we come to it.

I did want to make a couple of introductory remarks, two or three brief observations. First, it might be useful for members to know that my ministry has recently initiated a series of organizational realignments. Some of these have been made to permit us to increase our emphasis on the economic development of the province, particularly through the reduction of regional disparities and the provision of jobs. Other organizational changes reflect the government's desire to make maximum use of human and other resources in view of the need for restraints on spending.

With these objectives in mind, three basic realignments have been brought about: First, the function of regional economic development has been brought into closer association with the functions of economic policy planning and economic analysis by including them within the same division. Second, there has been a consolidation of those activities involving project development, project implementation and project management. Third, we have consolidated to the greatest degree possible all functions and units in my ministry which deal with local government. Three other divisions, namely, fiscal policy, treasury and intergovernmental affairs remain unchanged.

By combining certain functions in the manner I have just described and by introducing improved processes and procedures, my min-

istry has managed to reduce its administrative overhead even while continuing to provide administrative support to several ministries, agencies, boards and commissions. In making these changes, we believe we will make better and more flexible use of our manpower resources, that is our senior management as well as our professional, technical and support people. We are confident that the result will be an improvement in both the quality and the quantity of the work produced by the ministry and its associated agencies, boards and commissions.

As another means of improving efficiency, we will be making increasing use of multi-disciplined task groups and project groups to handle such responsibilities as policy development, programme delivery and project management. Under this new arrangement, the top management of the ministry has been reduced from five to four. The deputy minister and the three assistant deputy ministers are functioning as a combined management team. Each of these senior officials has a set of regular responsibilities but is subject as well to special assignments, such as directing or co-ordinating special tasks within the ministry or between our ministry and others. This is a flexible system that enables us to employ these senior people in accordance with their individual expertise and the needs of the ministry, and indeed of the government as a whole.

In short, we have realigned and tightened up the structure of my ministry to meet changing needs and conditions of the times within and outside the government. The results are flexibility, better interplay of related work units and more effective co-ordination of related functions.

Mr. Sargent: Fire the whole bunch and start over again.

Hon. Mr. McKeough: The government's programme of spending restraints has demanded careful allocation of resources, particularly human resources. I am pleased to report that within my ministry such allocations have been effectively made and the resulting targets have been met.

As members will recall, my budget statement of April, 1975, set out a programme for reducing the complement of the civil service. Even at that time, the complement of my ministry had already been reduced to 826 positions from a peak of 885 at the time of its formation three years earlier. Further reductions have been brought about more recently, largely by means of transfers elsewhere and normal attrition. As a result, the complement is down to 735 positions today. Another 35 positions, including five senior

executive positions, will be eliminated by next March 31, bringing the ministry's complement down to an even 700.

[3:15]

What I am saying in essence, Mr. Chairman, is that my ministry is undergoing some rather severe economies, chiefly through cutbacks in its administrative resources, and yet it is managing, in spite of that, to enhance the quality of its services to the government.

If the members have any doubts that these cutbacks are being translated into actual dollar savings, they need only refer to the item on administrative expenditures. They will see that the estimates for 1976-1977, in the amount of \$25.3 million, represent a decrease of \$5.5 million from last year's estimates. More than half of this decrease consists of reduction in the amounts to be paid for salaries, wages and employer benefits. It is worth noting as well, Mr. Chairman, that such salaries, wages and benefits, being in the amount of \$16.3 million, constitute less than one per cent of the total estimates for this ministry.

As the members can see, the total estimates for my ministry amount to approximately \$1,742 million. The largest components of this total consist of approximately \$1,048 million for interest on the public debt; \$414 million for transfer payments to local governments; and \$140 million for loans to municipalities and other local bodies, largely through statutory appropriation.

In regard to public borrowing, I believe it is worth pointing out, Mr. Chairman, that Ontario in the past several years has been breaking new ground on behalf of the Canadian investment community by enlisting the services of Canadian underwriters and banks in the foreign money markets of the world. The employment of Canadian companies as underwriters in the United States is, of course, a well-established practice. In fact, Canadian companies now underwrite some 35 to 40 per cent of Ontario government issues in the United States.

For the members' interest, our US syndicate is co-managed by three firms: two Canadian firms, Wood Gundy and McLeod, Young, Weir; with McLeod being appointed as new co-manager only recently. Other firms in New York are Bell Gouinlock, Bruns Fry, Dominion Securities, Equitable, Greenshields, Mildand Doherty, Nesbitt Thomson, Pitfield Mackay and Richardson Securities. But the use of Canadian financial houses of Wood Gundy and McLeod overseas—in the money markets of Europe and Wood Gundy and McLeod, with the able support of the

Toronto-Dominion Bank, in the Middle East—is a relatively new practice, and one that demands a high degree of ability and know-how.

The investment houses and banks we have assigned to this work have demonstrated their capacity in a most impressive way, confirming our belief that Canadian financial institutions have an expertise and a sophistication that rank them among the best in the world. The Ontario government is proud to have made such opportunities available to them, and we hope our recognition of this financial resource within Canada will inspire others—provincial governments and Canadian corporations alike—to follow our example.

I would also like to inform the members that we have reorganized our European syndicate, which now includes the Deutsche Bank, the Union Bank of Switzerland, Wood Gundy, McLeod, Young, Weir, Salomon Bros., Swiss Bank Corp. and Warburgs.

Returning for a moment to the question of administrative costs, I have a final comment, Mr. Chairman, bearing on the important issue of ministry morale.

The restraints in spending and the reductions in complement I have described have placed severe limitations on the resources available to the people of my ministry. It is not an easy thing to carry on one's duties and perform at the best of one's ability when spending is extremely tight and the work complement is being constantly reduced.

We have all heard and read those sentiments expressed from other sectors, again and again, since the inception of our restraint programme last year. Such complaints, however, have not been the response heard from those in my ministry who have been facing these limitations as a matter of daily routine. Instead, they have carried on their duties well and, indeed, have risen to the occasion by improving upon their already high standard of performance.

I realize the staff of TEIA are already highly regarded throughout the government for their standards of efficiency and effectiveness, but I wanted it on the record, Mr. Chairman, that I appreciate their dedication, particularly at this time.

Mr. Lewis: If you hadn't frittered away last night you could have made a better opening presentation.

Hon. Mr. McKeough: It was the company that did it.

Mr. Swart: As the introductory speaker for my party, I am going to deal almost exclu-

sively with the subject of municipal taxation. I confine it to this issue deliberately, first of all because the member for Beaches-Woodbine (Ms. Bryden) passed over it intentionally rather lightly in her budget speech in order for it to be dealt with more fully at this time. And, secondly, we consider this a very critical issue and, like the hospital cutbacks, one on which we find ourselves at very substantial variance with the government of this province.

In view of the Treasurer's remarks about the appointment of a commission to examine assessment and taxation, I want to say that in spite of that we have to deal with the problems facing municipalities now. That report may come in in a year or two years' time. It may or may not be dealt with by the government when it comes in. So, today, we must give our attention to the very serious situation in which municipalities find themselves.

I want, first of all, to put this year's financial transfers from the province to local government in their proper perspective. The Treasurer says there is, in fact, no overall cutback—it is just a reduction in the increase. I want to say that that statement won't stand up to any in-depth examination. There is, in fact, a genuine reduction.

In 1975, provincial assistance to local government increased by 22 per cent. Allowing for the 10 per cent inflation rate, that was a real improvement in assistance of some 12 per cent. This year's increase in dollars is 7.8 per cent. By the Treasurer's own estimate, there will be a nine per cent inflation rate in 1976; that is then a shortfall of 1.2 per cent in real dollars.

For the municipalities it is worse, because their transfer increase is only 6.5 per cent in dollars. They, in fact, then have a reduction in transfer, in real money, of 2.5 per cent.

The minister makes this statement in his recently tabled budget statement on 1976 assistance to local governments. I quote:

The municipal liaison committee [I think we are all aware that is a committee composed of the municipal associations in this province] indicated that a 10 per cent average growth rate on spending for the municipal sector was probably realistic and made it its own target.

Taken out of context that statement is true. But the MLC also made it clear that they expected the province to make transfers to them at that level too.

In addition, the MLC at no time indicated that the 10 per cent target applied to local government expenditure. School boards and

other local boards and agencies were not mentioned, and their requirements have generally proven much larger than the local municipalities'. So, no one should interpret the MLC as indicating that they predicted local government could operate within a 10 per cent increase.

It appears now that the local municipalities, on the average, and distinct from regional ones or other boards, are living within the 10 per cent objective. But the province is not meeting its share of that 10 per cent.

In contrast to local government, this government says in its budget that it will increase its expenditures by 10.4 per cent—and that, in fact, is a phoney statement. To get the 10.4 per cent they include the 7.8 per cent increase in transfers to local government. This government's expenditures will be 11.3 per cent higher than last year.

Municipalities are really doing a much better job than the Tory government, and they are being penalized for doing so.

I think the property tax situation is now becoming evident in this province. The picture on the composite tax—that's education, regional and local—is coming into focus.

A report in the Toronto Globe and Mail during April quoted the Treasurer as saying that property taxes this year will increase by only 11 or 12 mills on the average. I tell him today, and he probably knows it, that it's not turning out that way.

A survey of 22 municipalities, with a total population of three million and broadly representative of the municipalities in Ontario—in regional government and out; in counties and out—indicates increases in total tax levies of 16 to 17 per cent, with average mill rates increasing by approximately 14 per cent. It will represent some \$80 in the increase in the tax bill to the average homeowner. The final figures, in fact, may be slightly higher. The great majority of municipalities have not yet passed a composite mill rate bylaw and the delay seems to be longer where tougher decisions, such as heavier increases, have to be made.

Our survey indicates that the average increase in educational tax levy is 20 to 25 per cent. In the regions or counties, it is 12 to 15 per cent, but if you take out the counties, the regions are much higher. And in the local municipalities, they are in fact staying within the 10 per cent limit.

But this doesn't tell the whole story by any means. It doesn't tell about the property taxes which are now being raised by some other equally regressive rate or levy. For

instance, transit fares in Toronto are up 21 per cent; in Hamilton, they are up 33 per cent; in Ottawa, they are up 33 per cent; in Welland, in my riding, they are up 40 per cent. This is another way in which the municipalities are trying to find the money of which this Treasurer deprived them.

It doesn't tell the story about the transfer of tax levy user charges to some other form. For instance, in Oshawa, where much of the sewer rate has been charged on the general property taxes, they are now charging it as a surtax on the water rate, and people are paying it in that manner. It makes the rate in Oshawa look much lower than it would be otherwise, but it's saving no money to the taxpayers of that city.

It doesn't tell about the use of reserves of the municipalities. North York is proposing—and it seems to be about final—to use up \$3.8 million of their reserves; the city of Hamilton kicked in over \$2 million of their reserves. In every place where we talked to the financial people in a municipality, they said that to rid themselves of all their reserves is poor financial operation. In fact, most of these financial people would like to see the municipalities build up greater reserves so they don't have to spend so much in terms of interest on the borrowed money.

The mill rates also don't tell about cuts in services. North York, for instance, is cutting out its dental plan to schools; the Niagara region has cut its budget for dental care—not only for welfare, incidentally, but also for family benefits and other fields where they supplement it—from \$300,000 to \$50,000. It doesn't tell about Matchedash township, which the Treasurer reported in this budget paper would have a local mill rate increase of 15 mills. In fact, they have set the rate now, and the increase is 19.2 mills. And even that doesn't tell that they have reduced their road construction programme this year to zero.

Mr. Lewis: Another mistake in regression analysis.

Mr. Swart: It also doesn't tell about what's happening to services in the educational field. I have with me a press release from the Renfrew Board of Education, which they issued on April 28 after they set their budget. Incidentally, it was a budget where the tax levy increased by 37 per cent, although their expenses only increased by 11 per cent. This is what they say in that press release:

[3:30]

Budget cuts have been wide-ranging and severe. Despite increases in the costs of

goods and services as high as 50 per cent, principals' budgets will be reduced below last year by 10 per cent for elementary schools and 20 per cent for secondary schools. Curriculum and professional development expenditures have been reduced to approximately one-fifth of what was spent in 1974 and less than half of what was spent in 1975.

Reductions of over \$150,000 have been planned in the requirements of plant maintenance. Reduction in secretaries, caretaking and maintenance personnel and other non-teaching positions will go as high as 10 per cent. Instructional administration will be reduced by 30 per cent over a year ago.

Since over two-thirds of the budget is earmarked for teachers' salaries, it has been necessary to seek reductions in teaching staff. These are currently being negotiated with the teachers, as well as the size and the rate of increase of salaries.

And that isn't the highest mill rate for education in this province either. As a matter of fact, in the northern town of Kapuskasing the mill rate there has been set at 56 per cent higher than it was last year.

We believe that this kind of increase is intolerable. It is far greater than the Anti-Inflation Board guidelines or the increase in the cost of living or the average raise in wages and salaries. The fault rests squarely with the Ontario government for limiting its assistance to local governments to 7.8 per cent. I say that that 7.8 per cent level of transfers this year breaks a solid commitment made to local government three years ago.

In recent years there has been an increasing lack of good faith by the Treasurers of this province in their financial dealings with local government. The treating of the Edmonton commitment symbolizes, I suggest, the shifting and shifty attitude of the present Treasurer and his predecessor towards promises which they have made. Item 2 of the statement by Hon. John White at the Edmonton trilevel conference—and the Treasurer, of course, is aware of this—on Oct. 22-23, 1973, said:

The Ontario government therefore gives this guarantee to its local governments: Provincial assistance in future years will grow at a rate not less than the growth rate of Ontario's total revenues.

The wording was changed in subsequent documents to take out the words "not less than." But at the provincial-municipal liaison

committee meeting of May, 1974, when questioned about the revised wording in the 1974 budget by the PMLC chairman, the then Treasurer, Mr. White, said:

The policy remains intact. I am sorry the wording was changed. We had no intention of modifying the Edmonton commitment.

Mr. Lewis: Boy, oh boy!

Mr. Swart: The significance of the Edmonton commitment is the promise to increase transfers to local governments in an amount not less than the growth rate of Ontario revenues and makes no mention of recovery in a subsequent year of any transfers made above the provincial growth rate.

In fact, no mention was made of this new Tory interpretation until October, 1975. This year when provincial revenues are escalating by 19.4 per cent, the Treasurer quotes the ambivalent 1974 budget statement, which his predecessor has rejected and repudiated, and uses this devious interpretation to cut municipal transfers to 7.8 per cent.

If the Treasurer had had the decency to say that the government is changing its policy or even providing a new interpretation of the commitment, it might have been slightly more acceptable. But these tactics simply promote mistrust by local governments and the public of this province. The Treasurer attracts further municipal distrust by his actions since his Dec. 11, 1975, statement to the Legislature, "Advance notice to municipalities of Ontario's 1976 spending," which told municipal councils in these words that he would not recover his alleged 1975 overpayment to them. These are the words:

The province is prepared to increase its support by some eight per cent. This enrichment is the result of deferring the 1975 overpayment in determining our Edmonton support level for 1976.

He repeats that promise several times afterwards—not to recover the 1975 so-called overpayment—and as late as Feb. 3 of this year he said to a meeting of Metro politicians, "The overpayment to date will not be deducted in the 1976-1977 fiscal year."

In spite of these statements he proceeds to recover, in his 1976-1977 budget, all the alleged \$119 million overpayment with the exception of \$21 million. The doubletalk on this issue in the budget paper, 1976 Ontario Assistance to Local Government, must be a classic, even by the Tories' own standards.

Mr. Philip: Not all the fudge comes from the kitchen.

Mr. Swart: It is worth repeating and I quote:

The net result of all the changes since December, 1975, has been modest and totals transferred to the local sectors are now expected to increase by about \$225 million in 1976-1977 compared to an estimated \$230 million during the January tour.

This statement was made during the January tour. That is a reduction of \$5 million. At least that is the way I interpret it, to \$225 from \$230 million. However, four lines later these words appear:

The total amount of transfers will exceed the level announced in January, 1976, while using the impact of a tax increase to reduce the outstanding balance under the Edmonton commitment.

I say: what nonsense. It's a fast shuffle of words, from dealing with increases of this year over last year to total payment. No one but this Treasurer could increase and decrease the same transfers at the same time.

Mr. Lewis: Oh, I don't know.

Mr. Swart: He is more of an expert at it, at least. The facts are that the increase in transfers to local governments, as announced by this Treasurer in the budget, compared to last year's transfers is \$5 million less than he estimated it would be last January.

Mr. Samis: It is shameful.

Mr. Swart: No one but the Treasurer would decide not to recover his so-called overpayment and then use previously unannounced tax increases to do exactly what he said he would not do less than four months previously.

I had thought some time ago of including in my remarks earlier that we should repatriate the Edmonton commitment. After all, it was made out in Edmonton. I have, though, come to the conclusion that I would still repatriate it but for a different reason. I thought we should bring it back here. Now I think we are doing an injustice to the people of Edmonton by naming the so-called commitment after their city.

I also say that the Treasurer's method of determining the transfers this year is also really a breach of faith. He has stated many times that there is going to be a move toward unconditionalization to give more autonomy to the municipalities and yet this year, in the crunch year for municipalities, you have determined exactly how they will spend those increases which they get this year. It

is not left to them to decide whether they want to increase their expenditures on social services by 5.5 per cent. This government tells them they shall hold it to 5.5 per cent. In every method it has, this government has made more permanent the conditionalization of the grants it provides to local governments.

The most serious breach of faith, however, is one, I think, of fundamental principle. This government, like other provincial governments in Canada, has pledged itself to a policy of "increasing its financial support for local governments in order to reduce the burden of financing which falls upon the slow-growing and oppressive property tax." That quote is from the 1969 budget paper B of this government.

Admittedly, since then substantial steps have been taken by all provincial governments in this regard and it had been expected it would continue in this province, or at least there would not be a direct about-face.

As late as 1974, the then Treasurer John White said, and again I quote:

Because the property tax has two inherent drawbacks as a revenue-raising device—low growth potential and regressive characteristics—local government should not be forced to rely on greatly increased use of this traditional revenue source. This course of action would be clearly retrogressive. It would definitely offset the steps that have been taken in the past to stabilize property tax burdens and distribute them on a more equitable basis. A fairer and more realistic remedy is one which would provide local government with access to new, faster-growth revenue sources.

In assessing the significance of that statement, it must be noted that it was made after the Edmonton commitment and after the property tax credit system was operative. Yet, this year, it is all repudiated.

I think, too, the Treasurer of this province has broken faith with the public. They supported the Anti-Inflation Board which has set very strict limits on the wages and salaries of the people in this province. The Treasurer is part of the cutback process in wages, and yet he deliberately caused property taxes to increase substantially above the very guideline that it appeared he was saying he supported.

Mr. Philip: More taxes on the middle class.

Mr. Swart: The Treasurer's dealings with local government make a hypocrisy of his statement at the meeting of provincial finance ministers with the Ottawa government on

April 1. In part, this is what he told the federal government.

We, as provinces, do not quarrel with the federal government's objective of achieving greater control over its own budgetary expenditure. What we do quarrel with is the unilateral way that the ceilings have been imposed, and implication that the provinces must bear the full responsibility for effective programme economies while being in a shared-cost strait-jacket.

In our opinion, the provinces are bearing far more than their share of the tough decisions, especially when it is remembered that much of the cost of escalation is, in fact, due to the federal government itself insofar as it insisted upon the introduction of universal health programmes and insofar as it failed to effectively contain inflationary pressures in the economy.

The newspaper article goes on to say:

Mr. McKeough was concerned about the federal government's intention to end the revenue guarantee by the federal government. If the guarantee is not continued or replaced by another arrangement the provinces will have to increase their taxes to meet their commitments.

What a statement of principle—righteously condemning the federal government for encouraging provinces to get into cost-shared programmes and then unilaterally cutting back on its share; denouncing the federal government for proposing to renege on its revenue guarantee. Yet, 3½ months before the Treasurer attacked the federal government on these grounds he had announced the same policy and programme to be applied to local governments in this province in an even more brutal fashion.

Mr. Warner: Shame.

Ms. Bryden: "Do as I say, not as I do."

Mr. Swart: One could read the word "municipalities" in place of "provinces" in the Treasurer's statement and one would have the municipalities' complaints to the province exactly. How does the Treasurer respond to the complaints of municipalities to his cutbacks? According to the *Toronto Star* of Feb. 26, 1976, I quote: "He angrily attacked critics of the government's restraint programme and accused municipal politicians, particularly in Metro, of playing a political poker game instead of trimming their own wasteful spending."

The Ottawa government can sure use the pattern set by the Treasurer of this province

toward its municipalities in refusing any requests that he makes to the federal government. The Treasurer's 1976 budget makes a mockery of all of these principles and pledges that they have espoused for years. It contradicts all the things they themselves have been saying.

[3:45]

I guess that's not normally too serious. If you contradict what they say, it usually makes you right. But in this instance it is serious because tax injustices are amplified and cutbacks in municipal services are hurting people. No other provincial budget which has been tabled in Canada this year provides the degree of cutbacks in increased assistance to local government as does the budget of the Treasurer of this province.

The provincial Treasurer constantly alleges that the property tax credit system has largely removed the regressiveness of the property taxes and it has, admittedly, reduced it by some degree. It is still, however, substantially regressive. What's more the system now used by this government causes a greater percentage increase to low- and middle-income earners when municipal taxes increase than it does to higher-income earners. I would like to repeat that just in case the Treasurer did not hear that statement. The system now used by this government causes a greater percentage increase in property taxes to low and middle-income earners when such taxes increase than it does to higher-income earners.

Let me show this House just how regressive the property tax still is. I'll take a hypothetical home assessed at \$5,000, a municipal mill rate of 100—there are still a few mill rates this low, but not too many. Applying the tax credit, an earner with \$2,500 of taxable income would pay \$320 taxes; with \$5,000 taxable income, he pays \$370 taxes; with \$10,000 of taxable income, he pays \$470; and with \$11,500 of taxable income, he pays the whole \$500.

This means that with a 100 per cent increase in taxable income, if you're fortunate to have 100 per cent more than somebody else, you will pay an increase of 16 per cent in your property taxes. The next \$2,500 increase in income, where you go by 50 per cent, increases taxes by 14 per cent. The next \$2,500 to \$10,000 increases it by 12 per cent. Putting it another way, a person with a taxable income of \$10,000 pays only 47 per cent more than an owner with \$2,500 taxable income, or one-quarter of the income.

That is some progressivity and some method of taxing on ability to pay. Of course, it may be argued that a person with a taxable income

of \$10,000 would likely own a more valuable home than a person with \$5,000 of taxable income and thus pay higher taxes. Fair enough. But the home would have to be worth more than 60 per cent more before there was any degree of progressivity. That just doesn't exist. That's not the case.

Let us compare these foregoing property taxes with income tax and its relative progressiveness. A person with a taxable income of \$10,000 pays eight times as much as the person with \$2,500 of taxable income. Relate that to 47 per cent more on the property tax and he pays two and half times as much as the person with \$5,000 of taxable income. What a contrast that is to the property tax! Apart from eliminating the regressivity of the property tax, there is another cruel irony of the property tax credit system. It causes tax increases to fall more heavily on the lower-income taxpayer than the higher one.

Take my own modest home, as an example. I paid property tax last year of \$437.61. My taxable income was \$14,179.96. I therefore did not qualify for any tax rebate. Although it is not yet final—

Mr. Lewis: That's a New Democrat!

Mr. Swart: —my property taxes will increase this year by approximately 15 per cent, again making me ineligible for any tax credit. However, if the person owning my home had a taxable income of \$5,000, he would have paid a net of \$313.85 for last year and \$372.73 this year, an increase of 19 per cent. If the taxable income of the owner of my house was only \$2,500—and that's possible because I've a modest home—his property tax would go from \$263.85 to \$322.73, an increase of 22 per cent.

Not only are you forcing an unreasonable increase in the municipal taxes but, by not adjusting the tax credit system—and you're not—you are forcing a much higher percentage of net tax increases on the lower incomes than on the higher incomes. I say to you that's gross injustice.

Mr. Lewis: That's an awfully well put together exposition.

Hon. Mr. McKeough: Housing, everything has gone up for consumers so your typical person might have an increase in his taxable income relative—

Mr. Swart: Of course, but it is still also true that the regressivity I talk about would still apply. I'm sure you must admit it.

Hon. Mr. McKeough: He may have had an increase.

Mr. Swart: Sure, he may have had, but that does not take away from the point that I am making.

Hon. Mr. McKeough: Not quite as much as you.

Ms. Bryden: The credit doesn't go up in proportion.

Mr. Swart: Both of these regressive injustices are aggravated by the lapse of time between the due date of the property taxes and the income tax credit derived from them. At present interest rates, it reduces the value of the property tax credit by six to 12 per cent. This is true whether an owner has to borrow money to pay taxes or whether it is withdrawn from a bank account. This adverse effect, again, hits the low-income earners the hardest because they are the ones, rightfully so, receiving the tax credits.

The same is true of tenants but to a much greater degree. The units which they occupy are generally assessed at something like 75 to 100 per cent higher in relationship to market value than individual family dwelling units. Those taxes are passed through to them in their rents so not only are they paying more initially but the increase hits them harder.

I suggest you should do, and immediately do, what you did for condominiums. You should bring in a revision so the taxes are lowered but, if you do, you must also bring in legislation to assure it is passed back to the tenant and not gobbled up by the landlord.

There's no doubt this year that the government's policies have increased the regressivity of the property tax to residential property taxpayers generally and particularly to the tenants of apartments.

Other taxpayers have never really had any alleviation from the regressivity. Commercial and industrial taxpayers, including tens of thousands of small businessmen, pay huge property taxes without any relationship to ability to pay. The unfairness of this is equal to or surpasses any other tax injustice in the province except, of course, the tax exemption to speculators and to developers. Yesterday, and this was coincidental, I was talking to the owner of a small industry in my area. His property taxes last year were \$5,250. He made no profit; in fact, he went into the red.

Another small industry in the neighbouring municipality made over \$100,000 profit from its operation but the owner's property taxes were almost identical to the owner I mentioned previously. There is a tremendous re-

gressivity on commercial buildings, especially small businesses.

Assuredly, there is no equity whatsoever in the property taxes on small businesses or large ones and I hope the Treasurer does not use the excuse that businesses can deduct it from their income tax and therefore it is not unjust. That point can be made legitimately on residential property tax versus commercial or industrial tax but it has no validity whatsoever in comparing a marginal business with a profitable business. In passing, I think I should mention that the tax reform proposals tabled in the budget will increase property taxes on small business to the point of destroying them. I'll cover that more fully in a future debate.

The greatest inequity of all, of course, is the preferred treatment given to developers and speculators. During consideration of the estimates of the Ministry of Revenue, I presented a couple of examples of the tremendous tax concessions to the land speculators and developers.

Mr. Warner: Nice friends.

Mr. Swart: There are some inequalities in the level of taxes paid by the various classifications of the property taxpayers, but they all bear some reasonable relationship to the value of the property owned. Not so with developers and speculators; during consideration of the estimates of the Ministry of Revenue, I presented a couple of examples to show the tremendous tax concessions they receive at the hands of this government.

I named River Realty Ltd. and Doro Investments Ltd. as developers who had sold 45 acres of land in Welland to the Ontario Housing Corp. in the fall of 1974 for \$1,092,000. It was bought by them in 1966 for \$75,000. The year in which they sold that property for better than \$1 million, in 1974, it was assessed for \$1,350, or 1/735th of its value, and it paid taxes of \$143.24.

Ms. Bryden: How does that happen?

Mr. Swart: Another 14 acres of land in St. Catharines was purchased for \$27,310 in 1965, and sold to a developer in August, 1974 for \$256,040—just over a quarter of a million dollars. In 1975 that property paid taxes of \$339.54—substantially less, incidentally, than the taxes on a moderate home in that area.

Mr. Warner: Did their income go up at all?

Mr. Lewis: What were they assessed at?

Mr. Swart: I haven't got the assessment figure on that one; I have got two more here. I want to give another couple of examples of acres of land to Birchwood Builders for the same sort of thing.

In 1974, Eleanor Person transferred 26.37 acres of land for the sum of \$527,480. This is prime fruit land in west St. Catharines. The same year it was transferred to another developer, obviously for more money, but that is not reported in the registry office; I think the sum of \$1 is recorded for that. That land, worth over half a million dollars, was assessed that year for \$2,855, or 1/185th of its value; and the taxes paid were just under \$300.

Barnes Wines transferred 54.726 acres of land to Dundel Properties in 1974 for the sum of \$1,231,385. The assessed value of the land is \$4,810—

Mr. Warner: That's shameful.

Mr. Swart: —or 1/256th of the value for which taxes of less than \$700 were paid just last year, in 1975. A slightly better than average house in St. Catharines thus pays more taxes than a developer whose property is worth more than \$1¼ million.

In every city in this province, speculators and developers get the same kinds of exemptions. Tens of millions—and it is in this amount—tens of millions of dollars of tax money annually is never levied against them, because this government over the decades has simply refused to make the simple change in the Assessment Act to plug the loophole. As a result, the homeowners and other taxpayers pick up the tab for the developers, because somebody has to find that money.

Mr. Warner: Squeeze the homeowner and the tenant.

Mr. Swart: I say to the Treasurer, when is he going to have the courage to stand up to the developers and the speculators?

Mr. Reid: Who is going to build the houses? These guys?

Mr. Swart: Of course, he can't. They are part and parcel of the Conservative inner circle. But, believe me, they are not part and parcel of this party's circle. And by God, when we are on that side of the House, they will pay their fair share of taxes, the same as everyone else.

Mr. Hodgson: You will never make it.

Hon. Mr. McKeough: That must strike terror in their hearts.

Mr. Lewis: They are not terrified, but they are apprehensive.

Mr. Swart: Yes, from some of the phone calls I have been getting, they are.

[4:00]

Mr. Chairman: Order, please. The member for Welland will continue.

Mr. Lewis: I talked to the house builders, my friend, not developers.

Mr. Chairman: The hon. member for Welland.

Mr. Hodgson: Tell us about your house and how much you made on it.

Mr. Lewis: Thanks to the speculative allowances of your government.

Mr. Hodgson: How much did you make?

Mr. Lewis: It is all on the record.

Mr. Swart: Mr. Chairman, I've talked about the magnitude of the property tax this year, about its regressivity, and about its unfairness between property-tax-paying groups. I want to say something about a particular region of the province, and that is the north.

On many occasions I have listened to my colleague behind me complaining bitterly about the treatment of the north—and sometimes it gets to me. One of your people over there said to me one time that he was going to come over and muzzle one particular person himself if he heard him say anything more about, "What have you got against the north?"

Hon. Mr. McKeough: You are just lucky that the Deputy Speaker is the Deputy Speaker, because we are missing his contribution.

Mr. Swart: When I've gone into this budget, particularly the municipal part of it, I find that their complaints are right. On page 13 of your budget paper, the last paragraph reads:

The maximum rate will be 25 per cent of the 1975 net general dollars levied. However, in situations involving former mining municipalities, which are unduly constrained by the 25 per cent limit, the maximum will be increased to include 15 per cent of their 1972 formula, the formula mining revenue payment. This latter provision will terminate in 1977.

That is kind of an innocuous-sounding paragraph. But do you know what it means? It means that the limit had been cut from 30 per cent last year to 15 per cent this year. Do you know that it means—and these don't sound like large figures, but to small mining municipalities they are—a cut in payments to

28 mining municipalities from the \$700,000 they got last year to something below \$350,000 this year. That is not a big amount, but it is typical of what the government is doing to the north.

The north is an area that produces a large amount of our resources. It is an area where municipalities and people have it the toughest in terms of distances and temperatures—and for many other reasons—and you have to give them a special cutback; a special cutback to the mining municipalities in the north. It is only \$350,000, but I say to the Treasurer of this province, for goodness sake replace it.

There is another serious aspect of these tax increases, and it is the effect on rents. Ever since its inception, the Minister of Housing (Mr. Rhodes) and the Minister of Consumer and Commercial Relations (Mr. Handleman) have attacked rent review. They want somehow or other to discredit it, so it can be discarded without political repercussions for them. They are trying to blame all the problems, really, on the NDP. First, for forcing them into rent review, and then for forcing changes for more comprehensive protection.

I say to you on the opposite side that the problems with rent review administration are not inherent in rent review and they are not attributable to this party, they are simply caused by the incompetence of this government and its inaction on controlling the costs of housing accommodation.

You failed to get the rent officers appointed and rent control machinery set up in time to deal with the review when it was supposed to start. Then electrical rates increased by 22 per cent—and it would have been more if you had had your way on that part of the House. Heating gas went up 41 per cent in December. In spite of protestations otherwise, your opposition to it up to the present time has largely been half-hearted and political posturing.

It's no wonder there have been 230,000 applications for rent review—requests for increases by landlords by and large—during the period up to this time. You're assuring a further multitude of such applications by your deliberate policy of increasing municipal taxes. From your own property tax credit you admit that property taxes are 20 per cent of shelter costs—you find that out when you make out your income tax if at no other time. Some checking by our party puts it closer to 23 per cent. In any event, these taxes have a major effect on rents. A 20 per cent increase in municipal taxes, such as is taking place in Ottawa and a great many other

municipalities, will mean a four per cent to five per cent increase in landlord's costs with a resultant rash of applications for rent increases.

By your refusal to provide adequate increases in assistance to local government, you're not only escalating the tax regressivity in this province but you are making shambles of your own rent control. We believe the Ontario government should live up to the Edmonton commitment. It should not endeavour to recover the \$98 million this year from its self-interpreted overpayment. This additional transfer would reduce the property tax rates across the province by about four mills or almost down to the inflation factor and the AIB rates. The proposal of the private bill tabled by the member for Downsview (Mr. di Santo) and the member for Beaches-Woodbine which would establish a select committee of the House to examine the tax structure, should be implemented by this government in place of the politically-appointed commission which was further announced today.

If future transfers to local governments are to be tied to provincial revenue, then they must be based on a three-year moving average so that political tax cuts, as made by your government last year—and don't ever try to deny it—do not destroy the municipalities' financial viability in subsequent years. Also, that select committee should give consideration to other forms of revenue, which the Treasurer so stubbornly refuses to do.

In view of the determination by the Ontario government to stop the open-ended programmes, that select committee should give consideration to transferring total responsibility for unemployment welfare from the municipalities to the province with service delivery still being provided locally. Unemployment welfare payments are the single greatest open-ended programme at the municipal level. If the province determines it is not going to leave that open-ended, then the province and the federal government, which have a prime responsibility for the state of the economy, are the ones that should have to pay it, not the local municipalities.

The government of this province must, I suggest, give some substance to its often-voiced partner relationship with local government. Each year, preferably in the fall, negotiations in good faith should take place between the local government associations and the province to determine the relative future priorities in the coming year and years, and financial adjustments should be made to accommodate them. Between every level of

government, federal and provincial and provincial and municipal, there are over a period of time substantial changes in their responsibilities and in the amounts of money that they must spend relative to other levels of government. That should be negotiated in good faith year by year.

I want to conclude on that partnership theme. A partnership principle involves mutual respect, co-operation and adherence to commitments. The action of your government toward local governments, particularly this year, and particularly in the last five or six months has made a mockery of that word partnership.

Mr. Lewis: We dare you to reply.

Hon. Mr. McKeough: I am speechless.

Mr. Lewis: I thought so.

Mr. Shore: Mr. Chairman, I am pleased to comment on the opening of these estimates on behalf of our party. I will not go on at great length because many of the subjects I and our party want to address ourselves to were commented on in the budget debate. I will restrict my remarks generally to the overall estimates themselves.

First of all, the estimates cover approximately eight general areas and at the outset we would like to know, for example, if the ministry has received any extra funds, by way of Management Board order or otherwise, which are not revealed in the reconciliation statement of the estimates. I would like, of course, to thank the minister for the summary sheet which will make it a little easier to understand these details.

I would also comment generally that you will note that of the eight major areas, approximately six had purportedly declined or stayed the same as the expenditure level for the year before. It appears that in the Treasurer's opening statement he gave some reasons for this but I want to suggest, through you, Mr. Chairman, that we must be careful in how we read these particular figures. I think we are going to have to relate them not only to the estimates in 1975-1976—and their reductions, purportedly, in 1976-1977—we have to read them in relationship to the actuals for 1975-1976, which we will be asking about, and relate them and compare them to the actuals for 1974-1975. If we look at that, we will see not reductions but some very substantial increases. It could well be that there were some major changes which took place in that one-year period.

Hon. Mr. McKeough: North Pickering.

Mr. Shore: North Pickering? That's the \$300 million—I appreciate that—but I am talking about the non-statutory and the operational aspects. In almost every section of the ministry's operational aspect, not the statutory, there have been anticipated increases in 1976-1977. I would like to have some explanations on that.

The other item in the general approach to this thing is that we will be asking very substantial questions in the area relating particularly to the salary aspect, the staffing aspect and the service aspect of these estimates. The service section includes professional fees, advertising and so on, and we would like to know a little bit about these things.

I looked at the general breakdown and found, as the Treasurer's observed, that of the \$1,742 million, well in excess of \$1 billion is statutory, of which the largest sum is the interest payments. Approximately \$400 million is the operational aspect of the ministry.

As we go through these various sections, you will see that a very large part of the ministry relates to what is known as planning, policy and areas like that. I submit that it's that area we want to hear a little more of because I fail to see anything substantial in the real planning, the real fiscal management and the real policy aspects of the ministry and particularly of the government. For all intents and purposes what I see is the Ontario budget for 1976 and that's an important item which I think we should be looking at.

[4:15]

In relation to the area of municipal funding, I won't dwell on it as much as the NDP has through its speaker. But we did stress it very strongly and very importantly during the budget deliberation. In my opinion, the municipal-provincial relationship is probably one of the most significant areas and I must agree with the comments made by the speaker for the NDP just now that if there is any area that requires a commission or a study committee, and particularly of this House, it is that area. It should be much broader, on the lines that we have debated in this House a week or 10 days ago on this member's bill.

In relation to the question of the 1974-1975 estimates, it appears to me that it was North Pickering that created quite a substantial part of this increase. But as I look through these estimates generally, it is very clear that there are some major changes that took place in 1974-1975, that increased a little bit in 1975-1976 and then went back down substantially in 1976-1977. The real

thrust has to be to compare it to what happened there for a two-year period, which created a substantial increase in the operations of this ministry.

I would also want to stress during the discussion on the particular votes themselves that not only will we be discussing the input of dollars but I think we should be concentrating to a very large extent on what we are getting for these dollars. In other words, what is the output? What is the result of what we are putting in?

I think too little time has been spent on these cost-benefit analyses and I think it is important that we should have it, I repeat, on this area of planning and policy and management. It seems to me that with a ministry that's responsible for the Treasury in the fiscal responsibility of this province it seems to me not unreasonable, with a staff of 800 or 750, that it should be expected, or could be expected, that multi-year planning should be a factor for consideration.

I asked that question in London, Ont., some few weeks ago—I guess it is a couple of months ago—when the Treasurer and the travelling group were around discussing the restraint, or constraint, or whatever it might be programme. The answer I got, in my opinion, was not satisfactory. Basically, it stated that that would be difficult to do. I would suggest that as difficult as it may be to do, it is equally essential that it must be done.

I am sure that the minister would recognize this, or hope he would, and have the imagination or the staff or both to start to develop that type of programme. Because I am suggesting to you with all the difficulties that we are having with this—particularly the provincial-municipal relationship and the property tax problems and all these other things—as bad as they are, including the closing of hospitals and all these other things, there should be at least a plan, a programme, or a thought in fiscal management.

That doesn't mean you couldn't have a two- or three-year plan that has to be adjusted periodically, but I suggest to you that if there were a plan at least you could see the direction that the province wants to take. You could see what its objectives are. You could see what its desires are. Similarly, and most importantly, the municipalities could do the same type of thing.

I think of all the injustices that I could put my fingers on in this whole revenue problem with the municipalities, the property tax base, the whole aspect, to me the most significant one is the unfairness to municipalities

at least, and I think to the province generally. With all the restraints they should at least be given the opportunity of knowing more than one month or two months or three months or one year in advance, for that matter, some type of plan or programme that they could work towards. If we had that I think many of the difficulties could be overcome.

We also will be commenting strongly in the area of the finance section particularly in the area of funding. The minister has said several times that he feels borrowing from the Canada Pension funds and the superannuation funds are not public borrowings. It is a little naive, in my opinion, to suggest it isn't. It is still borrowing.

Very clearly in the budget statement itself the minister takes great pride in the concept of developing improvement for small businesses. I just look at his speech to the Ontario Hotel and Motel Association about a week or 10 days ago when he is pridefully bringing to the attention of that group that he has done unbelievably good things for the small businessman and the small corporations. He stresses that one major measure, the reduction of the corporation tax for small businesses as defined under the federal jurisdiction from 12 per cent to nine per cent, was a major move, and I must say it was a substantial move. He does not say in that statement that it will mean very little dollar change or improvement totally; that it will just spread the same dollars over a larger percentage of people.

He goes on to say that the budget also includes two other actions of particular interest. The one I am particularly interested in—and I wish to say that it's a positive thing and I would like to ask, when he is responding, whether we may see something on this—is the area of the venture investment corporation. He is strongly suggesting that that would be coming forward, hopefully, to help stimulate investment in small businesses. I agree with that and I would like to know just when that might come forward.

These are the things we would be talking about. We're going to be responding to the public debt situation and we will be responding further to the whole area of urban and regional affairs. I would like to conclude this statement by saying that I believe that the minister truly is desirous, and hopefully he is, in wanting to hear positive, constructive criticism from the opposition parties.

On a semi-personal vein, but really from the point of view of the opposition parties and particularly from our party's point of

view, I would like to suggest for his consideration, since he has a staff of 700 or 800 or whatever it might be, if he truly believes this—and I'm prepared to respect him and say that he does—that there be some direct contact within the ministry. If our research people or myself or anybody involved in this area of criticism wishes to get information—I'm talking basically about public information, not cabinet information—they should have a source or contact to that person so that they can flow through that person information that could be helpful in us developing this, because I must say that it is truly very difficult sometimes to get the information or just to find the person to talk to.

I would just like to leave this aspect of the general discussion with the comment that I would hope the minister would respectfully accept that it's important for the parliamentary process and it's important for us as critics to be able to have a source for public information in the ministry. I noticed the minister raised his eyebrows. Maybe that's difficult; maybe instead of reducing his staff to 800—

Mr. McEwen: Give or take 100.

Mr. Shore: —he'll reduce it to 801 and we'll have one person who we can communicate with and do something like that. I think it's a positive statement. I certainly don't want any brown envelopes or pink envelopes, but I believe there would be nothing harmful in having some source so that information that should be available can become available.

These are the conclusions of my remarks and we will be debating this on the individual votes as we go along.

Mr. Chairman: Does the hon. minister wish to reply or answer the questions during the debate?

Hon. Mr. McKeough: I think we will get into the items under the votes and perhaps best deal with them there.

On vote 1001:

Ms. Bryden: There are a few questions I would like to ask under this vote.

It seems we have a new form of brown paper envelope. A week or so ago I literally found a printout from the Ministry of Treasury, Economics and Intergovernmental Affairs blowing in the wind in front of the Sutton Place Hotel.

Interjection.

Ms. Bryden: It's dated 7/12/75, so it's fairly up to date.

Mr. Ferrier: What happened to the shredder?

Ms. Bryden: It appears to be a printout of public accounts payable. Unfortunately, there are no figures on it so all it tells me is that the government apparently owes money to a great many American associations such as the American Bar Association; the American Gas Association; the American Institute of Real Estate Appraisers; the American Institute of Planners; and so on. Of the 31 items I think 18 are American organizations.

It intrigued my curiosity as to what sort of accounts we had with all these organizations but it doesn't tell me whether we gave them \$2 million or \$20. However, it did seem rather strange that it was blowing in the wind.

Mr. Bullbrook: Is the John Birch Society on that list?

Ms. Bryden: It stops at the As, unfortunately.

Mr. Lewis: You could launch an OPP investigation into that.

Ms. Gigantes: Where did the As go?

Ms. Bryden: You mean the Bs.

Hon. Mr. McKeough: In response to the question, I really don't know why we owe money to any one of those names mentioned. I assume that perhaps the Attorney General—I've forgotten the ones you mentioned—subscribes to something in the American Bar Association. Of the four or five you mentioned, none of them, I think, is anything which the Treasury has anything to do with directly.

It's a legitimate question because, of course, we are responsible for the preparation of the public accounts.

Ms. Bryden: Yes, I understand that. To get on to, perhaps, a more serious question, I would like to still pursue the question of whether the government really is reducing its staff.

The Treasurer spoke again about his complement being down to 700 but he has not yet given us figures for the total number of contract employees on the same base as the tables in the budget which show the complement figures. I assume these dates are March 31, on page 27 of budget paper C.

I would very much like to have similar figures for 1975 and for 1976, for the same dates, on (a) the number of contract employees, and, (b) the number of casual or

other unclassified employees so that we can really see whether there has been a reduction of staff in all ministries over the past 12 months.

It seems to me we're only getting half of the story. I asked for this information at the time of the budget lockup. I understood it was coming but it hasn't yet come so we're still waiting for the breakdown, ministry by ministry, of the number of contract and the number of casual employees. The two dates are March 31, 1975, and March 31, 1976. Particularly, we would be interested in the ones for this ministry as a starter.

Another question that interests me is what progress the ministry is making in implementing the report of the executive coordinator of women's programmes regarding the upgrading and moving of women into more of the senior executive positions. Mrs. McLellan in her report, says only four per cent of the senior executive structure, as she calls it, was filled by women at the time of her report, which was, I think, about March 31, 1975. I would like to know what percentage of the senior executive structure is filled by women in the Treasury department.

Does the hon. provincial Treasurer have on his staff a women's adviser for affirmative action? Does she have a separate budget? Is it a full or part-time job? What progress has been made in increasing the number of women in training programmes as well as senior executive positions?

[4:30]

A third area I would like more information on is the total expenditure on publications of the ministry. I see there is an information services division which has about \$425,000. I presume this is not the cost of all the publications that come out from the ministry. Is there a figure on the total publications budget or is that scattered through all the various votes and is it possible to isolate it?

I would also like to know the cost of the tour that the hon. provincial Treasurer and his officials took in December, January and February to explain the so-called restraint programme, including the cost of the presentations that were made, the literature handed out, any slide shows, travel and the hiring of halls and so on. I think it would be very interesting to know how much that particular public relations exercise really cost the people of this province—to tell them really that their municipal taxes were going up so that their provincial taxes might not go down but at least the provincial deficit would go down.

Those are some questions that I would like to leave with the hon. Treasurer.

Hon. Mr. McKeough: Mr. Chairman, I don't know that I can remember all the questions that were asked. Perhaps if we start taking them one by one it might be helpful. We will just clean up a couple of them. In the information division, publications are scattered throughout the estimates. For example, the blue book would be, I assume, under the municipal finance branch. Regional planning studies would come under urban and regional affairs, and so on. There would not be very much under the information branch itself but will be glad to sort out just what is there.

You asked about complement. The member had a question on the order paper about contract employees which will have to be answered by the Chairman of Management Board (Mr. Auld) or by the Civil Service Commission. So far as the government is concerned, the question was answered, I think, in response to a question from the member for Kitchener (Mr. Breithaupt) for last year.

I wouldn't hold your breath because apparently it took about four weeks to assemble that information for last year and I don't think the Chairman of Management Board or his staff are busting a gut. If I can put it that crudely, to go through the same exercise again.

Mr. Bullbrook: Would you mind a specific question?

Hon. Mr. McKeough: No.

Mr. Bullbrook: Is Ian Macdonald on contract with you?

Hon. Mr. McKeough: Ian Macdonald? No.

Mr. Bullbrook: Fine, I just wondered.

Hon. Mr. McKeough: No, he was a civil servant. He was retained for, I think, three months after April 1, 1974, as a consultant during that period of the changeover. But I don't think that he is—

Interjection.

Hon. Mr. McKeough: Well, there was an overlap. But I don't think that he has been paid in any way since that time.

Just coming back to the question of what we call the human resources. If I can understand this table, there were 735 civil servants as of April 1, 1976. The unclassified—the people who were on for over six months, in man-years, 126.66; for less than six months, 81.76. The total resources of the ministry, expressed that way, are 943.42. As of April 1, 1975, they were 1,049.33. There is a reduction then,

expressed in man-years, of 105.91 people, so that there is a reduction both in terms of complement and there is a reduction in terms of either classified or unclassified contract employees.

I think, from a quick look at this, there has actually been a bigger reduction in the amount of contracted-out personnel—at least, not contracted-out but contract employees. Just looking at it quickly, there is a slightly bigger reduction there than there is on the permanent civil service staff.

Ms. Bryden: I am not clear. These unclassified employees include both contract and casual or can you give us a breakdown of the two? We would like the contract employees separated from the other unclassified.

Hon. Mr. McKeough: I can't, at this moment, other than to—No, I can't at this moment. We have it broken out for this year as of April 1; we don't have it broken out as at a year ago. But expressing the whole thing in man-years, it is a reduction of 105.

Ms. Bryden: Can you get me those figures?

Hon. Mr. McKeough: For a year ago? No, I don't think so. We simply weren't keeping track of those figures a year ago, or prior to this year. Essentially, it was a matter of dollars and cents up until this year, and I don't know whether we were required to keep it this way or not.

Up until that time, essentially, what we were required to account for was the number of civil servants on contract or on complement. Then it was left to the managers over and above that and they were given a certain amount of money to do the job. We are now being required—I think properly so, out of the questions which have been asked and which we were asking ourselves—to keep track of, in some way, the amount of purchased time, if I could put it that way, over and above those people on complement.

There was one other question. Yes, Glenna Carr is full-time and has a secretary and has a budget attached to the deputy minister's office. A year ago I tabled, or read rather, a rather extensive series of notes on this. I won't do so again. I don't think there has been any change—I am just taking it off the top of my head. I don't think any females have been moved into senior positions within the last 12 months. We have, in fact, really done away with about five senior positions within the ministry and there have been few promotions, period.

As vacancies occur, it may well be that they may be filled by women but there just

haven't been the vacancies as we have been constraining both at the top and at the bottom or both at the bottom and the top.

Ms. Bryden: I also asked about trainees and training programmes. Have you any statistics on the number of women in training programmes now as compared to a year ago?

Hon. Mr. McKeough: I haven't got it here. The assistant deputy points out that the answer is yes. We have a number of them. Those things are contained in the annual report from each of the ministries to the women's co-ordinator for the government and will be tabled soon, apparently. I haven't got those figures here. I will get them for you.

Mr. Shore: Firstly, in my opening remarks I related two or three questions. Can I assume that the hon. minister heard them and then I could forget about them for the time being? Or do I have to continue?

Hon. Mr. McKeough: Let's take them one at a time because my notes aren't that good.

Mr. Shore: All right. You have me caught here. I forgot what they were.

The first question I had was if there was any additional spending, by the Management Board or otherwise, that wasn't revealed in the estimates?

Hon. Mr. McKeough: No, it is not a question of not revealing. We are the authors, I think it is fair to say, of what is disclosed by us in the quarterly report. The assistant deputy tells me that we had two Management Board orders during the course of the year, which is not unexpected. One on the unconditional grants had been underestimated in 1975-1976 by about \$14 million and that would show up. The interim estimate for unconditional grants is \$345 million. From what was shown as being voted last year there is a difference of about \$14 million, which was added by way of Management Board order just before the close of the year.

There was an addition to the winter capital works programme—simply an underestimate. That's really a pass-through of moneys from Ottawa. Finally, there was quite a deliberate move, which is as good a point as any to fess up to—I don't know that I have got the details of it here and I don't know whether the Chairman of Management Board touched on this—since there is no provision in the Financial Administration Act for us to accrue at the end of the year, we are in effect on a cash basis, or until the books close. I can't

tell you the amount offhand—I should have this—but in the budget and, presumably, in Management Board's estimates, and I haven't looked at it, you will find a figure for contingency—

Mr. Shore: It's \$171 million.

Hon. Mr. McKeough: —of \$171 million. Part of that is retroactive to 1975-1976. To include that in the \$1.889 billion cash requirements, we in effect made some payments before the end of the year and reduced them in the next year, in this present year, and by book entry we will adjust that back again. There were payments made to the Ontario Land Corp. of \$22 million; the Educational Capital Aid Corp. and, I think, the Universities Capital Aid Corp. at the end of the year, so that the amount of estimated salary which is going to be paid in 1976-1977, which really applies to 1975-1976, is shown in the \$1.889 billion.

That has to be one of the more unsatisfactory explanations that I have given. By the time we discovered all this, we would not have wanted to come to the House and said that our cash requirements last year were only \$1.850 billion, for example, when in fact they are really \$1.889 billion. So we made those transfers and will transfer it back as of April 1, 1976, so that the \$1.889 billion in respect of the salary payments expected is as honest a figure as we can make it.

Also the payments in lieu were increased by about \$2 million by Management Board order.

Mr. Good: Does that meet future requirements?

Mr. Shore: As I understand it and I think I grasp what you are saying, one of the purposes of that was to help offset the statutory or whatever requirements under the Financial Administration Act, to help offset the problem that you can't accrue. Is that the rationale?

Hon. Mr. McKeough: Yes. We can accrue some things. We can accrue until the books close. We accrue until April 22, I think the date is. This year it was April 22. As it turned out, though, those salary awards have still not been made and may not be made for several months.

Mr. Shore: Is that something unique to this last year that you never had to face in the last few years? I would like to just understand why you wouldn't have had to do that the year before or the year before that.

[4:45]

Hon. Mr. McKeough: Yes. It may not have been unique but two of the contracts expired, I think, on Oct. 1, 1975; the remainder of the eight contracts expired on Jan. 1, 1976. It may not have been unique but we were certainly talking of a much larger sum of money than we've ever talked before.

Mr. Shore: Thank you. In vote 1001, in almost all the areas, salaries and wages have been decreased quite a sum from the 1975-1976 estimates. I would like to know if this is primarily and principally from reduction of complement of the civil service and if it's been offset to any great extent by contract employees. No. 2, I would like to ask if there's anything unusual between the estimates and the actual. In other words, can you point out if there's anything unusual in these estimates in relation to what the actual might be in this year? Or can I assume that these comparisons are reasonably accurate? No. 3, I mentioned in my opening remarks that I would be talking about the—

Hon. Mr. McKeough: Let's take them one at a time. First of all, the answer to your question is yes: The differences would basically be accounted for—I think I said this in the opening remarks—by a reduction in staff in nearly every instance. I qualify that by pointing out that some of those people obviously were entitled to an increase—let's assume it's eight per cent—and some of those increases, from either Oct. 1, six months, or Jan. 1, three months, are part of that \$171 million reflecting back into last year's. The amount which is estimated they would receive in increases during the full year is all in that \$171 million.

I think it's fair to say that in previous years the printed estimates have normally not included any provision for expected salary increases other than merit increases. We may have padded the revenues sometimes to get ready for it. This is the first time that we have spelled out—and I'm sure Mr. Auld said this—the \$171 million which includes not only the expected salary increases—not all of which may end up happening; I suppose it could be more—plus the retroactive portion.

The answer to your question is that the big reduction between the two years is straight staff. The assistant deputy minister assures me there has been no increase in this area—in fact in most areas but I think in this area particularly—in contract staff. It has remained about the same if not being down a bit.

Your final question was is there much variation between the 1975-1976 voted esti-

mates and the actual figures. We haven't got that here and won't have it here until the books are audited but my guess would be that there would be underspending in most salary categories and in the service categories. When the restraints were first applied in July and the embargos were put on, we felt them and we met all the targets.

My guess is that there will be substantial underspending in practically every one of the administration votes. That, I hasten to say, means that they're probably between what actually happened in 1975-1976 and what is estimated to happen in 1976-1977. There won't be quite the gap there would appear to be in these estimates but there will be a gap. There is, I think I'm satisfied, an absolute reduction in dollars.

Mr. Shore: Mr. Chairman, could I have the Treasurer comment on several of these items under the first vote? For example, in the ministry office the actual for 1974-1975 was \$612,000; then it went up to \$941,000; then back to \$807,000. He sort of explained that the differential between the 1975-1976 estimates and the 1976-1977 estimates won't be that great a spread. I noticed throughout the whole TEIGA section there appears to be a very substantial increase between that 1974-1975 actual period, in almost all the items, and the 1975-1976 estimates. I wonder if there's an obvious blanket-type rationale, or what it is. It distorts this concept of efficiency, because it all happened in a one-year period, more or less—a sudden thrust upward and then a levelling off. I wonder if there's some general statement that would have created that—or am I missing something here?

Hon. Mr. McKeough: No, you're right on. I think part of it—we could take one of these and break them out—but part of it is undoubtedly tighter budgeting. There is no question that between 1974-1975, 1975-1976—and remember that those estimates were probably prepared in October-November of 1974. They would have been checked after that and approved by Management Board, but we were still in a growing, expansionary time at that point in terms of government services. I don't like to link the change to the departure of the former member for London South, which was about Jan. 15, 1975—get that back to him, though—but that's when we started to save money.

Mr. Breithaupt: And everything's been looking up since.

Hon. Mr. McKeough: We've been saving money ever since. But that was at the point

where government started in the spring of 1975 and really got very serious by July, 1975—the beginnings of the special programme review—and really started cutting expenses pretty dramatically. We obviously were cutting down on complement at that point. We had a complement freeze with no replacements being made for—three months to six months—the deputies put that off. We still have some in that category now, I'm told. Basically, that's just about the time we started to get pretty tough about expenditures.

I've been passed a note that the 1975-1976 actual in the ministry office will also be low by about \$175,000. In other words, that 1975-1976 estimate of \$941,600 is probably being underspent, according to this note, by \$175,000. This would bring it down to \$786,600—if these figures hold up—which is practically the same as the \$807,100 projected for this year.

Mr. Shore: I'm getting the picture, because that's why I asked if the actual 1975-1976 expenditure was going to be significant, and you observed that it probably could be to a certain extent.

When we first look at the statements you get a picture of a period of two to three years and it looks significant. But the anomaly is that if you look at 1974-1975 actual, and then compare it with 1975-1976, you see a very substantial jump, and then you see a dropping off. But now, in hearing this type of information, we're seeing that it isn't the case. As I observed at the beginning, out of these major votes six of them were reduced—if the ministry office is somewhat typical of some of the others.

Hon. Mr. McKeough: No.

Mr. Shore: It isn't? Okay. That's where the real efficiency takes place; right?

Hon. Mr. McKeough: Or the real fat, depending on the minister. No, the ministry office is probably not typical. We'll take a look at some of these others—the general administration, accounts and office services, personnel administration—take a look at two or three of those.

Mr. Shore: All right, but I see a pattern; and that's what I'm really trying to see.

In the services under the ministry office, could the minister pick out two or three of the largest and tell me how the dollars are used? For instance, the \$102,700.

Hon. Mr. McKeough: Yes, aircraft rentals would be a service; any temporary help—

that's not a very large item. That figure, the chargebacks, is a catch-all as much as anything, and that's why I am saying that the ministry office is often not typical. I think this is true of a number of ministries. Sometimes consultants are hired for one reason or another—not here, particularly, but they would be charged in—or an outside study, and if you can't find any other place to put it, it goes into the ministry office. The relationship between this figure at the beginning of the year and the end of the year, I think in most ministries, would be pretty far-fetched.

Mr. Shore: Is it possible to have roughly what the three largest items of that \$102,000 are, and how much?

Hon. Mr. McKeough: This is estimated: Aircraft rentals, \$12,000; consultants, \$48,000; temporary help, \$9,000; conferences and seminars, \$13,000—but I would tell you that's a guess.

Mr. Shore: Thank you.

Hon. Mr. McKeough: Just while I am on that, I would answer the question that my friend from Beaches-Woodbine asked about—

Ms. Bryden: About the restraint tour.

Hon. Mr. McKeough: Oh, the tour. The member has a question on the order paper on that and it will get an answer. It was minimal; there was no—

Ms. Bryden: I'd be glad to get an answer. That's why I asked again.

Hon. Mr. McKeough: I don't know whether it has left our office and gone to the House leader. He holds these answers up quite often. No, that's not true, because I did see a note that they were waiting for an answer from our office. You could either put a very high figure on it in terms of the number of ministers who made the trip, or charge them out at nothing, which some people would do and, in fact, they are charged out at nothing. A number of the halls were donated.

I will get that figure. We will have that answer, but it was a minimal amount. I don't think we went overnight more than once or twice in the whole time, so there were very few hotel rooms. It was a minimum expense. The only goody we gave away was coffee, and I think in a couple of instances doughnuts—and I think the local people paid for those in a number of instances.

I will get the figure for you as soon as we can. I won't guarantee, though, that it's going to be a completely accurate figure, be-

cause we didn't encourage other ministers to charge back their expenses to Treasury. If my colleague the House leader ran up a big bill on the trip to wherever he went, and if he's left it in his ministry office's expenses and didn't charge it back to Treasury, we haven't phoned up and said, "Please, Bob, will you send us the bill?"

Mr. Chairman: Does the hon. member for Waterloo North have a brief question before the committee rises?

Mr. Good: A brief question. I don't know how brief the answer will be. The Minister of Revenue, Mr. Chairman, had indicated to us that the deposits of the Ontario Savings Office go directly to the consolidated revenue of the province without the issuance of any debt instrument. I can't find in the budget, under non-public borrowing or any other area, where that \$200 million is indicated as being used by the Treasurer and the consolidated revenue of the province.

Hon. Mr. McKeough: It is shown in the budget—

Mr. Good: It is not under non-public borrowing.

Hon. Mr. McKeough: No, you will find it on page 19, Province of Ontario Savings Office net deposits, an estimated increase of \$31 million.

Mr. Good: Yes, that's the net figure which I presume is the—

Hon. Mr. McKeough: It's the estimated increase of the amount on deposit during 1976-1977.

Mr. Good: Yes, but where does the actual \$200 million fit into your financing picture?

Hon. Mr. McKeough: You would have to go to the balance sheet to find that. The budget only deals with the one year.

Mr. Good: You just don't treat it as a loan secured by the province for the savings office?
[5:00]

Hon. Mr. McKeough: No, it's just that it's an amount that's available for us to use. In 1974-1975, with the Ontario Energy Corp., we had \$100 million on deposit separately. That's not a good example. We just show the increase. We don't show the total that's available, any more than we show the total outstanding anywhere here to the Canada Pension Plan.

Mr. Chairman: Perhaps we could terminate the questioning at this point and continue again?

Hon. Mr. Welch moved that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report progress and asks for leave to sit again.

Report agreed to.

PRIVATE MEMBERS' HOUR:

NOTICE OF MOTION No. 6

Clerk of the House: Private member's notice of motion No. 6, Mrs. Campbell.

Resolution: That the Human Rights Code be amended so as to include the provision that no person shall discriminate against another by reason of sexual orientation or affectional preference.

Mr. Speaker: The hon. member moves the motion standing in her name. The hon. member may continue.

Mrs. Campbell: I could hope that this matter being of such serious concern to the people of this province, that it might be permitted to go to a vote rather than to be treated with the usual consent accorded private members in their resolutions and bills in this hour.

I am very proud to say to this House that this resolution was put to a general meeting of the Liberal Riding Association of St. George and was passed unanimously by those present. I would like to illustrate for you some of those who were present.

We had in that meeting some of the quite elderly people of the riding. We had some of the young people of the riding. We had many people representing various multicultural groups in that riding. I was proud that this was unanimously adopted by them.

Democracy is a plant of very tender growth. It seems to me that it must be guarded by all of us, but for those in government there is a very special onus and responsibility.

I was reading recently the story of the trial of a young Lithuanian girl. The evidence against her was that she was spreading underground propaganda. She was, I suppose, since she dared to write articles for and disseminate Roman Catholic teaching in an under-

ground newspaper. One of her very real offences was that she helped an elderly, sick man, who was a former priest. For these offences she was sentenced to three years at hard labour and three years' exile.

It couldn't happen here. We believe, we say, in individual liberty. I say to the House that the moment one human being shall be denied the right to work or to find accommodation because he or she may vary in lifestyle from what we regard as the norm, we have taken that first long step to break down the fundamental principle of the democracy which we all profess.

I can recall being on the board of control of the city of Toronto when the boys and girls from Yorkville came before us. I have to say, Mr. Speaker, they really weren't, I guess, that welcome. They had created a lot of problems. When they came before us, Controller Lamport, who was a man who had very swift and simplistic solutions to every problem, believed firmly—perhaps our Attorney General (Mr. McMurtry) would agree with him—that if we could just put a hockey stick in the hands of every man there would be no problems in our community.

Mr. Nixon: Let them hit each other with them.

Mrs. Campbell: Yes. In any event, to my horror and that of others on the board of control, Controller Lamport was of the opinion that there should be special rules applied to these young people in order that they might be permitted to address the board of control. They had complied with all of the standard rules for any appearance before that body but he didn't like their lifestyle. He didn't really approve of their lifestyle and therefore there had to be some other sort of provision for them. I can remember the horror I felt because once that can happen it is so easy to take the next step down the road.

We have all read in the newspapers the stories of the so-called Damien case and I cannot, in truth, comment upon it because I believe it is a matter still before the courts. But the very fact that it could be a question in our society, the fact that the question is raised in the surrounding circumstances that perhaps a human being lost his right to work and his right to employment because he was a homosexual, is a very disturbing thing to me because one starts with that and then says, "Who's next?" That is the ugliness of it all.

I would like to tell members something that I don't think too many people really give too much consideration to. In the courts, we

faced this lifestyle in young people. I don't think that too many of us were that adept at understanding. I personally was most grateful for the assistance given to the courts by the various groups in the community who understood so well the problems of these children. They co-operated with us, helping us to locate these children when they ran, as most of them did if they could, helping us to understand a little. It is sad that in many cases these young boys who we saw were cast out by their families. We have to wonder what our principle of living is in a democracy.

I have a very real sense that somehow or other our democracies are being surrounded, in many ways, by other political persuasions or beliefs where there is no recognition of the human right of an individual to live his or her lifestyle providing that he or she does not thereby damage the community. I say there is no evidence that there is damage to the community, that people who have other ways of life than the norm are doing any harm to anybody. They simply want to live freely in accordance with their own philosophies and their own beliefs.

I feel that there does come a time when those of us who believe in depth in democracy must speak out in support of it lest we lose it altogether in a world which is becoming more and more authoritarian and more and more inelastic in the preservation of human liberty.

Mr. Grossman: In rising I would like to firstly congratulate the member for St. George on what I think to be a very important resolution and I suppose also to recognize the full support she has of her constituency organization and give them equal view. In fact, in listening to the composition of it, I suspect it was more startling for me to hear about their unanimity than it was for me to hear about the member for St. George's support and birth of this resolution.

I wouldn't be surprised hearing it from her—but from others, sometimes, unfortunately—the fact that I and others can stand here today and refer to the fact that unfortunately there are others who find the lifestyles of other people personally distasteful or foreign to their own way of life and their own method of thinking, that they cannot help themselves and perforce sometimes find themselves discriminating, either by forethought or otherwise, against those who simply have a different lifestyle.

[5:15]

I don't think it sits well in the mouths of lay persons such as myself to get into an

analysis of the background, the reasons for some of the different lifestyles that we would run up against in the course of our experience. I don't think it lies well in our mouths to categorize them as emotional, mental or physical problems, hereditary or otherwise. It is hardly for me to say. In fact, we should not go around trying to categorize. The whole idea of categorizing a person's lifestyle surely is foreign to a democracy and surely is foreign to the Ontario Human Rights Code.

The preamble of the code reads:

[Whereas recognition of the inherent dignity and the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world and is in accord with the Universal Declaration of Human Rights as proclaimed by the United Nations;

And it goes on, interestingly:

And whereas it is public policy in Ontario that every person is free and equal in dignity and rights, without regard to race, creed, colour, sex, marital status, nationality, ancestry or place of origin . . .

Surely the first part of the second preamble is as important as the words which follow and which I hope are not limiting, other than as they are presently written into the Human Rights Code.

"Every person is free and equal in dignity and rights"—that's the key part of that preamble. The question is, from time to time, are we going to look at the Ontario Human Rights Code and decide whether or not it has kept up with some new and different practices which sadly, shockingly and unfortunately, we sometimes see growing up around us? And need we wait until they have grown up around us? At the slightest hint of any general discrimination against any person, particularly when it is only with regard to one's own private, personal preferences, surely we ought to move immediately. Surely the Ontario Human Rights Code, dealing as it does with human feelings, emotions and, sadly again, prejudices, must be a living document; surely it must be viable and changeable enough to add to it any items which actually or by appearance appear to be becoming a criterion, a hook, an excuse for prejudice.

As the previous speaker, the mover of this resolution, pointed out, our society quite rightly much values individuality, individual uniqueness, the right to do your own thing. How contradictory then it is for us not to enshrine the right of someone to do his own personal thing, to practise his own indi-

viduality and express himself or herself, in whichever way he or she feels appropriate, comfortable and right. Surely that is precisely the type of thing which the Ontario Human Rights Code ought to be malleable enough to accommodate easily.

It is all too easy for armchair, small-l liberals to say, "Sure, I'm in favour of the Ontario Human Rights Code. You're darn right. I'm four-square behind it. I don't like people who discriminate against race, creed or colour." I'm not so sure they say that about sex. Nationality, ancestry or place of origin are all very easy things. People say, "Sure, I don't have any prejudice." But I wonder if they really deal in their own minds with the type of prejudice that is the subject matter of this resolution.

Too many people don't even call that prejudice. Too many people think they are not being prejudiced, and they are not practising discrimination, but they are just supporting and doing the natural thing, what is right, and what is conventional. The fact they don't even recognize that is all the more reason why we ought to take a forward, positive step to enshrine it, to slam it into the Ontario Human Rights Code and say: "You're darn right that's discrimination. You may not think it is, but it is. It's enshrined, and there it is and you cannot practise it."

In order for a person to live truly freely in a democracy requires each and every person to rest assured that he needn't face a real, apparent or, most of all I suppose, legal obstacle to the freedom to practise his own individuality in his own realm, free from any external forces, rules or regulations. I suppose we really can't stay entirely out of the definition I've just talked about. But as far as possible, particularly in the area in which a person does not bother anyone else, or infringe upon anyone else's rights, surely we must give that person and each and every person the peace of mind and the freedom to walk around entirely free of any shackles, hints, secrets, or whisperings of prejudice of any sort whatsoever.

It's not enough to say, "Yes, I'm a pretty tolerant fellow." If you're tolerant, it means you're putting up with something, and one would hope that this subject would not be called something with which one has to put up. In fact, it should not be the subject matter of tolerance. Anything that this Legislature could do to enshrine this concept in the Ontario Human Rights Code would be entirely consistent with that code and its object and, I suggest to you, something which each and every elected member ought to be

primarily concerned with—equality and freedom in our democratic system.

Mr. Bounsall: Resolutions to include sexual orientation in the Human Rights Code as yet another area of discrimination which should not be allowed in Ontario were passed by the southwestern Ontario regional conference of the New Democratic Party last spring and passed this fall by the Windsor-Sandwich NDP Riding Association and, I understand, by now by several other NDP ridings associations across Ontario. The resolutions that were passed will come before the NDP provincial convention to be held in Kitchener later this spring, May 11 to 13. I have full confidence that on the principle of the matter those resolutions so presented would have a successful passage at that convention and become formally a part of party policy.

I would hope, however, that we wouldn't have to wait too long before this present government recognizes the very great need for this change in the Ontario Human Rights Code. It may be only a matter of time, the government might say, before this does come in, but whenever it comes it will not be soon enough. We were assured a year ago last fall that amendments to the Human Rights Code would be presented to the House as of a year ago, that is last spring. Those were not presented, and since then we have the Human Rights Commission engaged in a review of the entire Human Rights Code and on a tour around the province they are meeting with anyone interested in changes to this code. I must view that as a delaying tactic and I would decry it on that basis. It is a delaying tactic to bringing in very meaningful changes in the code, especially since research has been done in all the areas at which they may be looking.

We don't any longer need to have any delays in building into the code that discrimination is to be disallowed on the basis of things like physical disability, political orientation, criminal records and importantly, sexual orientation particularly as it involves hiring. These are four areas that should be in the code now. I am concerned that this review by the Ontario Human Rights Commission simply is going to cause a much longer delay than necessary to have these matters built into the code.

It seems very strange to me as a person, and someone who has considered, over the last four or five years, the operation of the Human Rights Commission and what should be placed in the code, to be standing here today enunciating the principle that persons have a right to have their own sexual prefer-

ences and not be discriminated against because of those preferences. It is such a basic right that human beings, in Ontario or anywhere, should have a preference in whatever field they so choose, on whatever matter they so choose, including sexual orientation and not be discriminated against because of having that view.

If that is basically accepted, and I can't see how any right-thinking man or woman considering the situation cannot accept those views, then our Human Rights Code cries out for a thorough and clear statement in the Act that sexual orientation is not a basis on which discrimination can occur.

My main interest in this is in the area of employment. My personal experience has been that a person has been a willing and valued worker up to the time at which that person announces, finally, after much hesitation and after much doubt, because of our societal attitude toward homosexuals, that he or she is, in fact, a homosexual. There has been no decrease in the quantity or quality of his or her work and yet that person is discriminated against.

In many cases it's just a hassle, not, in most cases, by his or her fellow workers and not necessarily by immediate supervisors, but by upper levels of management in the company where it is somehow felt that the person is now a detriment to the company as an employee. Yet that person was a valued employee beforehand. The fact that he or she has a sexual preference or a sexual orientation which is not the majority view in Ontario should be no grounds whatsoever for that person in his or her employment to be found to be an unacceptable employee. On those grounds particularly, the Human Rights Code must be changed and must be changed immediately to include sexual orientation therein.

I think the matter was highlighted by the John Damien case—a homosexual employed by the Ontario Racing Commission. I won't comment on the rights and wherefores of that case because I gather it's before the courts but the initial reasons given for his firing is that he might—might—be prejudicial in his decisions because of his homosexual leanings, in favour of jockeys or others who he knows may have those leanings. Yet at the time there was not a shred of evidence produced that a bias of any kind was operating or that John Damien was biased in that direction.

[5:30]

Why are homosexuals, people of different sexual orientations, discriminated against in

our society now, or why are they treated differently? Basically, it's a fear that in whatever job they are in, they could be blackmailed in that job, a fear that exists only because we don't have discrimination against persons on the grounds of sexual orientation in the present code. If there were no grounds by which someone should be blackmailed because it was now in the code quite clearly that they can't be discriminated against for that reason, then the fear of blackmail itself would completely disappear.

In order to remove that fear in persons' minds, we need, therefore, to clearly include this in the code and Ontario needs to take, through its various boards and commissions, a much more mature attitude than it has toward its employees in matters of this sort. Certainly the subject matter we are debating today and what has been proposed—the inclusion of sexual orientation in the code—is long overdue in Ontario and definitely and categorically should be included.

One could go on and give further examples. One could go on and philosophize and give more reasons as to why it's against basic human rights for discrimination on these grounds to occur but it can all be summed up very simply. It's a discrimination which is not justified. It's a discrimination which should not be allowed to continue. It seems inconceivable that it could continue in our present-day society. We simply need a change in the code to ensure that no discrimination in a formal sense—and in my interest, which is particularly in the area of employment—should continue.

Mr. Reed: It is with a sense of deep pride that I rise in support of this resolution, which is a matter of principle. It is not every day in this House that we have the opportunity to debate a matter of principle and while our principles prevail, and hopefully prevail in the decisions we make, this is a direct matter of principle. I would like to commend my colleague from St. George for presenting this resolution and expressing her case most eloquently. I should also like to acknowledge the words of the member from St. Andrew-St. Patrick and the member for Windsor-Sandwich who both spoke in support of this resolution.

In our opening prayer when we begin the proceedings of the day in this House, I recall the words "where freedom and justice prevail." How delicate is that freedom and that justice, and how much care we must take from day to day to see that those freedoms and that justice do prevail. The resolution deals with a proposed amendment to the

Human Rights Code. For the people of different sexual orientation, freedom and justice in the province are still smothered by prejudice and while we can change the law it often takes some time to change people's hearts. I believe one of the roles of government is to express the highest ideals on matters of principle, the highest intent and not to become the victim of the prejudice and the narrow-mindedness still harboured by some.

I've said we cannot legislate an end to discrimination, and we can't. But we must take a stand, and while some of us will have to stand alone sometimes when it comes to matters of principle, I think that's one of the responsibilities we have.

I support this resolution wholeheartedly and it is my earnest hope that it will become a part of the Human Rights Code of Ontario. "Where freedom and justice prevail" must always be kept before us. We must always be cognizant of its import.

The actions between consenting adults in private should not be the business of the state, and in this resolution we can move forward in that direction.

Mr. Williams: Mr. Speaker, I will be speaking against the resolution for two basic reasons. First, I think we have to put the whole debate into its proper perspective. The Human Rights Code, I would point out, deals with the basic conditions of man. It deals with man's race, his creed, his nationality, his colour, sex, and age, as well as marital status. I suggest that the Ontario Human Rights Code was not designed nor intended to be Ontario's answer to Emily Post's book of etiquette and social behaviour.

The resolution we have before us is endeavouring to legislate a form of social behaviour. It could well be argued in this House as well that someone should bring in a similar amendment which, in place of the words "sexual preference," would provide for sartorial preference or perhaps leisure time preference.

The point is the statute is not designed to legislate social behaviour. We cannot legislate, I suggest, morality nor social behaviour, nor was the Act so intended in the first place. It was to protect a fundamental condition of man which does not relate in any way to his daily activities or personal preferences whether they be sexual or otherwise.

So I think that is the fundamental argument one can use against arguing for expanding the definition of provisions in the Act to relate it to human activity rather than to

basic condition of man. A great deal of the discussion this afternoon has been on the area of social activity, and is related to the area of homosexuality.

The proposal of the resolution has suggested that in this swinging age of ours, where we have different and varying lifestyles, we should be tolerant of these various attitudes and preferences, and with that I do not disagree. But what I do disagree with is the fact that the problem before us has been minimized to simply represent a new swinging type of lifestyle rather than the fact that it may represent some deeper-rooted problems.

It was suggested by my colleague that he did not want to discuss the technical or medical or professional consequences of homosexuality. But I suggest to you, Mr. Speaker, and this is the other point I wish to make and why I speak against the bill, that to in fact enact such a clause into the statute would be giving a legal form of endorsement to a social activity that would imply a state of normalcy and general public acceptance.

The Criminal Code was amended in 1969 so as to remove prohibitions against homosexual acts between consenting adults in private, and so it should have done. As such, I think it provided a degree of security and protected the civil rights of persons who engaged in homosexuality, whether they be male or female, that heretofore had not existed. They did, in fact, have to carry on their personal preferences and activities in a cloak-and-dagger style. I suggest with that amendment having come forward that this is no longer the case, that they do have their civil rights, which are unimpeded, and that they can carry on their activities in their own personal ways. But to suggest, as this amendment would, Mr. Speaker, that there is total normalcy associated with homosexuality, I will turn to one of the professionals for some guidance and advice. And I would, in so doing, turn to a perceptive editorial that was published in the American Journal of Psychotherapy in April of 1973. At that time the learned editor of that publication stated in part as follows:

It would appear to be a distortion of reality to deny that homosexual behaviour when there are heterosexual partners readily available, constitutes a gross distortion of basic drives that are applicable to all animals in whom there is a differentiation between males and females for reproductive purposes.

The basic purposes of sexual differentiation, even limiting this phenomenon to mammals, is for the propagation of a species. This does not mean humans must reproduce to be normal, since reproduction can lead to overproduction which would be harmful to the species, a problem we are experiencing during the current period of demographic over-concentration.

However, distortions of basic, instinctive animal drives upon which the survival of the species could theoretically depend cannot be considered in the same light as psychodynamic and psychophysiologic disruptions such as frigidity, premature or retarded ejaculation, and the like.

Overt, compulsively-repeated homosexual acts when heterosexual patterns are freely available constitute a distortion or deviation from basic, instinctual drives.

[5:45]

Mr. Nixon: That article favours birth control.

Mr. Williams: To continue:

These acts in themselves are documentations deserving of the label of illness, even if the individual functions well vocationally and socially in other ways. We cannot agree, then, with the ideas expressed by some that many homosexuals function in a way that cannot be considered an illness, nor do we countenance the almost frivolously expressed view that homosexuality in itself merely represents a variant sexual preference, with the implication that it is abnormal only because society traditionally has disapproved of it.

The so-called scientific backing accumulated by the spokesmen for the various gay liberation groups that implies homosexuality is a variation of normalcy is, for the most part, poorly conceived both conceptually and methodologically. Such pseudo-scientific inaccuracies should be exposed for what they are and should not be utilized to obtain justifiable legal rights. Justice should not be based upon pseudo-fraudulent briefs based upon material that has pseudo-validity.

Homosexuality is usually just a tip of a psychodynamic, psychosocial iceberg. Homosexuality does not exist in splendid isolation but is usually intertwined with a gamut of other psychological problems of varying magnitude, very often of severe proportions.

Mr. Speaker: The hon. member has one minute.

Mr. Williams: Those are not my observations, Mr. Speaker. Those are the observations of a learned member of the profession and were in an article in the *American Journal of Psychotherapy*.

This, in a professional way, responds to the suggestion that the activities of the homosexual movement are now to be considered normal and no longer different and apart. I think they have to be respected and given their rights as individuals themselves. I have so stated; and the amendment of the Criminal Code, I think, accomplished that. However, I do not think we can suggest by legislating such a provision into the law that a mantle of normalcy should be bestowed upon persons who do not behave in a totally normal social way as recognized by society.

I do not limit it to this particular situation of homosexuality but it has been used as the specific example today so I have spoken to that specifically. To come back to my main point, I oppose this resolution because the Ontario Human Rights Code was designed to protect the basic conditions of man, not to legislate and dictate the social behaviour and activity of man.

Mr. Samis: You belong in the 18th century.

Mr. Renwick: Mr. Speaker, I rise to speak as succinctly as I can in support of the resolution put forward by the member for St. George (Mrs. Campbell) and supported by all who have spoken up to now, except the member for Oriole (Mr. Williams).

The resolution specifically states: "The Human Rights Code be amended so as to include the provision that no person shall discriminate against another by reason of sexual orientation or affectional preference." I want to speak a little later on about the wording of it and to make a suggestion which I hope will be helpful both to the government and to the Human Rights Commission in connection with the insertion of the concept in the Ontario Human Rights Code.

First of all, I can say no better than the leader of our party has stated in replying to correspondence, of which he has a significant volume, about the position of this party: The NDP supports the inclusion of the concept of sexual orientation in the Ontario Human Rights Code. Our member for Windsor-Sandwich (Mr. Bounsall), my colleague who spoke earlier in this debate, has spoken on other occasions about the matter.

I understand that the Human Rights Commission is presently doing a complete review

of the code and will be making recommendations to the government on changes. It would be more productive to get the commission to include sexual orientation as one of the recommendations than to rely on an opposition member's resolution in the Legislature, although all efforts have value. I intend to raise a number of items with the chairman of the Human Rights Commission, Tom Symons, and your particular point is one I will urge him to include.

First of all, it is the position of our party to support the inclusion in the Human Rights Code of the concept of sexual orientation. I think, in fact, the time has passed, from the comments made by the leader of this party in replying to the particular inquiry to which I have just referred. It is now a matter of some significant urgency that the government seriously consider, particularly in view of this debate today, the amendment of the Human Rights Code without having the matter further protracted.

There are an immense number of other fields of discriminatory matters which will have to be dealt with by the Ontario Human Rights Commission in its review. I would suggest that the time has come when this matter can now be dealt with without in any way taking away from the overall review to be made by the Human Rights Commission.

I, too, do not want to comment about the John Damien case because it is sub judice and the rule of this assembly precludes any discussion of it. I know that to be so because I spoke earlier today with the office of John Laskin, who is acting for the Ontario Human Rights Commission when that matter will come before the Supreme Court of Ontario either later on this spring or in the fall.

I do, however, urge the need for simplicity and clarity of language if the amendment is going to be introduced by the government. I think whenever there is a code of rights, whether you are talking about the Habeas Corpus Act or whether you are talking about the Bill of Rights in England, or whether you are talking about the first amendment to the constitution of the United States, known as the Bill of Rights, it's important that the words be clear and as simple as the English language permits for adequate communication of exactly what is being said. I want to return to that point in a minute or two, if I may.

I want to point out why I think it's urgent. In Saskatchewan what has become known as the Douglas Wilson case was de-

cided by the court of Queen's Bench and the Crown side earlier this year I have here a copy of the decision of Mr. Justice Johnson of that court when he dealt with the specific situation. Very briefly, the facts of that case are quite simply.

Mr. Douglas Wilson is a graduate student in the College of Education, University of Saskatchewan, and is also employed as a sessional lecturer in the said college. In an advertisement which appeared in an issue of the *Sheaf*, the campus newspaper, Mr. Wilson publicly associated himself with the gay liberation movement and apparently sought to promote an academic gay association. Mr. Wilson is an admitted homosexual. He also admits his male gender.

Shortly after the advertisement appeared, Mr. Wilson was advised by the head of the department that he would not be allowed to go into the public schools to supervise practice teaching to be carried out by students of the College of Education. This decision was confirmed and supported by the dean of the college and the president of the university.

On the complaint to Mr. Wilson, to the Saskatchewan Human Rights Commission, and after two officers of the commission had attempted to effect a settlement, the university was served with a notice of formal inquiry over the signature of the chairman of the commission which alleged that the University of Saskatchewan had discriminated against Mr. Wilson in regard to his employment, or any term or condition of his employment, by refusing to allow him to supervise practice teachers because of his sex, and in particular because he is a homosexual, contrary to section 3 of the Fair Employment Practices Act of that province. That section, as it was amended in 1972 in Saskatchewan, stated:

No employer shall refuse to employ or to continue to employ or otherwise discriminate against any person in regard to employment or any term or condition of employment because of his race, religion, religious creed, colour, sex, nationality, ancestry or place of origin.

The case before the court was a clear-cut case dealt with entirely on the construction to be put upon the word sex as it appeared in that section, which is significantly similar to the provisions of the Ontario Human Rights Code.

The court clearly said other grounds had been raised but it didn't have to consider those grounds. We had one of those situa-

tions in which the case is clear and simple. In that case, the question the court posed to itself is:

In short, does discrimination against a homosexual, because of his homosexuality and his publicizing of the fact, constitute discrimination against him on the basis of sex as that word appears in the Fair Employment Practices Act?

The court went on to give the cardinal rules of interpretation and recited the traditional authorities:

If the words of the statute are themselves precise and unambiguous then no more can be necessary than to expound those words in their ordinary and natural sense. The words themselves alone do, in such a case, best declare the intention of the lawgiver.

It makes a further quotation, that it may not be necessary to so resort to dictionary meanings if their meaning "as they would have been generally understood the day after the statute was passed is clear."

The point which the court made was not retrogressive in its view, in any sense. It simply said that at the point in time when the word sex was introduced into the Saskatchewan Fair Employment Practice Act in 1972, it was in obvious response to the demands of women for equal pay for equal work and equal rights to employment of all kinds. It was the time when all references to distinction of gender on the economic scene were discouraged.

The court went on:

It is also noteworthy that in recent years the public attitude to homosexuality and lesbianism has undergone a marked change. It is a far cry from the days of Oscar Wilde. The Criminal Code has been amended to permit homosexual activities between consenting adults. If the Legislature had intended the word sex, as it appears in section 3 of the Fair Employment Practices Act, to cover homosexuality or lesbianism, it ought to have said so in express language. Its failure to do so confirms my view that it did not so intend.

Therefore, the matter was clearly decided.

I think it's fair to say that one doesn't have to think too far to indicate that quite likely, on a similar issue before a court in

the Province of Ontario, that is the decision a court, of necessity, with a view to the interpretation of statutes, would come to in our case.

I am suggesting, in the two minutes which are before me, that the amendment should be made, but my concern is about the words "sexual orientation or affectional preference." I took the trouble to get the dictionary meanings of orientation and affectional. I find that if one reads it they are among those more or less abstruse words of the English language with no clear, defined meaning. Orientation in one meaning means facing toward the east and I couldn't see that a court would be greatly helped by having that word orientation in the Act.

Mr. Nixon: Certainly if you were the judge it would be a little difficult.

Mr. Renwick: I'm simply pleading with the government to introduce the amendment now. I think it's consistent with the position of all three of the parties, although individual members in each particular party may have some reservations about the problem.

I would ask, if the amendment is to be introduced, that the word used is homosexuality and not the words affectional preference or sexual orientation because of the haziness which surrounds those concepts. On the basis of that Saskatchewan case, what the judge said is that if the Legislature is going to enact in this field, it should do it in clear and unambiguous terms. I would suggest the word to be included is simply homosexuality and that would solve the problem.

I would seriously ask the government House leader if his government would not consider the introduction into this assembly of an immediate amendment to the Human Rights Code to cover this problem so that persons in Ontario will not be subjected to the kind of discrimination that was referred to in the Douglas Wilson case. It is a clear-cut case. I think our courts, by and large, would follow that decision. There's no need laboriously to wait until that event occurs; and there's no need for the Ontario Human Rights Commission, in my view, to further consider the problem.

Mr. Speaker: It being 6 o'clock I do now leave the chair. We will resume at 8.

The House recessed at 6 p.m.

CONTENTS

Thursday, May 6, 1976

Lead contamination, re tabling two reports, Mr. Kerr	1999
Lead contamination, questions of Mr. Kerr: Mr. Lewis	2000
Laurentian Hospital, questions of B. Stephenson: Mr. Lewis, Mr. R. S. Smith, Mr. Germa	2000
Kingston hospitals, questions of B. Stephenson: Mr. Lewis	2001
Peterborough Civic Hospital, questions of B. Stephenson: Mr. Lewis, Ms. Sandeman	2002
Gravel pits appeal, question of Mr. Bernier: Mr. Lewis	2002
Asbestos problem at Hedman Mines Ltd., question of B. Stephenson: Mr. Lewis	2002
Residential services report, questions of Mr. Taylor: Mr. S. Smith, Mr. Lewis	2002
Conestoga school of nursing, questions of Mr. Parrott: Mr. S. Smith, Mr. Davidson	2003
Population growth projections, questions of Mr. McKeough: Mr. S. Smith	2003
Hospital closings, questions of B. Stephenson: Mr. Grossman	2004
Ontario Securities Commission investigation, question of Mr. Handleman: Mr. Renwick ..	2005
Algonquin Park, questions of Mr. Bernier: Mr. R. S. Smith, Mr. Godfrey	2005
Municipal golf club membership fees, question of Mr. Handleman: Mr. B. Newman	2006
Inco fatalities, question of Mr. Bernier: Mr. Martel	2006
Non-returnable containers, questions of Mr. Kerr: Mr. Gaunt, Mr. B. Newman	2006
Sudbury flooding, question of Mr. Bernier: Mr. Germa	2007
Fees for foreign students, questions of Mr. Parrott: Mr. Worton, Mr. Warner, Mr. Sweeney, Mr. Renwick	2007
Temagami area building freeze, question of Mr. Bernier: Mr. R. S. Smith	2008
South Rideau development, questions of Mr. Rhodes: Ms. Gigantes	2008
Highway 11 accident stretch, question of Mr. Snow: Mr. Stong	2009
South Rideau development, re questions of Mr. Rhodes	2009
Public health nurses' negotiations, questions of B. Stephenson: Ms. Sandeman	2009
Reports, Environmental Hearing Board re lead pollution, and task force on lead data analysis, Mr. Kerr	2010
Report, private bills committee, Mr. Lawlor	2010
Re private bills committee report, Mr. Renwick, Mr. Nixon	2010
Motion to refer Estimates of Provincial Auditor to miscellaneous estimates committee, Mr. Welch, agreed to	2010
Windsor Board of Education and Teachers Dispute Act, Mr. Wells, first reading	2010
Personal Property Security Act, Mr. Handleman, first reading	2011

Vital Statistics Amendment Act, Mr. Handleman, first reading	2011
City of Thunder Bay Amendment Act, Mr. McKeough, first reading	2011
Ontario Human Rights Code Amendment Act, Mr. Bounsall, first reading	2011
Estimates, Ministry of Treasury, Economics and Intergovernmental Affairs, Mr. McKeough	2011
Private members' hour re Human Rights Code amendment: Mrs. Campbell, Mr. Gross- man, Mr. Bounsall, Mr. Reed, Mr. Williams, Mr. Renwick	2030
Recess	2037

SPEAKERS IN THIS ISSUE

Bernier, Hon. L.; Minister of Natural Resources (Kenora PC)
Bounsall, E. J. (Windsor-Sandwich NDP)
Breithaupt, J. R. (Kitchener L)
Bryden, M. (Beaches-Woodbine NDP)
Bullbrook, J. E. (Sarnia L)
Campbell, M. (St. George L)
Conway, S. (Renfrew North L)
Davidson, M. (Cambridge NDP)
Deans, I. (Wentworth NDP)
Eakins, J. (Victoria-Haliburton L)
Ferrier, W. (Cochrane South NDP)
Gaunt, M. (Huron-Bruce L)
Germa, M. C. (Sudbury NDP)
Gigantes, E. (Carleton East NDP)
Godfrey, C. (Durham West NDP)
Good, E. R. (Waterloo North L)
Grossman, L. (St. Andrew-St. Patrick PC)
Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
Hodgson, W. (York North PC)
Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
Kerrio, V. (Niagara Falls L)
Lewis, S.; Leader of the Opposition (Scarborough West NDP)
Martel, E. W. (Sudbury East NDP)
McEwen, J. E. (Frontenac-Addington L)
McKeough, Hon. W. D.; Treasurer, Minister of Economics and Intergovernmental Affairs (Chatham-Kent PC)
Newman, B. (Windsor-Walkerville L)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Parrott, Hon. H. C.; Minister of Colleges and Universities (Oxford PC)
Philip, E. (Etobicoke NDP)
Reed, J. (Halton-Burlington L)
Reid, T. P. (Rainy River L)
Renwick, J. A. (Riverdale NDP)
Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)
Ruston, R. F. (Essex North L)
Samis, G. (Cornwall NDP)
Sandeman, G. (Peterborough NDP)
Sargent, E. (Grey-Bruce L)
Shore, M. (London North L)
Singer, V. M. (Wilson Heights L)
Smith, R. S. (Nipissing L)
Smith, S. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
Stong, A. (York Centre L)
Swart, M. (Welland-Thorold NDP)
Sweeney, J. (Kitchener-Wilmot L)
Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)
Warner, D. (Scarborough-Ellesmere NDP)
Wells, Hon. T. L.; Minister of Education (Scarborough North PC)
Williams, J. (Oriole PC)
Worton, H. (Wellington South L)

Ontario Legislative Assembly



Legislature of Ontario Debates

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Third Session of the 30th Parliament

Thursday, May 6, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

THURSDAY, MAY 6, 1976

The House resumed at 8 p.m.

WINDSOR BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

Hon. Mr. Wells moved second reading of Bill 75, An Act respecting the Board of Education for the City of Windsor and Teachers Dispute.

Mr. Speaker: Does the minister have any opening remarks?

Mr. Renwick: On a point of order, if I may.

Mr. Speaker: Your point of order.

Mr. Renwick: Having nothing to do with the bill, could the House leader inform us whether or not the estimates of the Ministry of Consumer and Commercial Relations are going forward in the Justice committee?

Hon. Mr. Welch: I was just asked that question. I don't know. Are Correctional Services finished?

Mr. Renwick: I understand that the Minister of Consumer and Commercial Relations (Mr. Handleman) couldn't be found before dinner. Is he now available, do you know?

Hon. Mr. Welch: It is the first time it has been brought to my attention. I will check into that.

Mr. Renwick: Thank you.

Hon. Mr. Wells: In speaking on second reading of this bill, as I indicated this afternoon, this is a piece of legislation that I am not particularly pleased to have to bring before this House. But I feel it is necessary if the secondary schools in the Windsor area are to reopen reasonably soon and the programmes for some 12,500 students are to be resumed.

Perhaps I should trace a bit of the chronology connected with this particular dispute between the secondary school teachers in the Windsor area who I think are known as OSSTF, district 1—

Mr. Bounsall: We are No. 1.

Hon. Mr. Wells: —which means they are No. 1, the beginning. I don't know whether that has any special significance or whether it just means that that's where they start numbering the province. Anyway, they start there—

Mr. Bounsall: Best place to start.

Hon. Mr. Wells: —and their dispute, of course, is between themselves and the Windsor Board of Education. They are negotiating a contract which begins on Jan. 2, 1976.

The old contract expired on Jan. 1, 1976. The negotiations for this particular contract began, or notice to negotiate was given, back on Aug. 14, 1975, and up to the end of the year various procedures connected with negotiations between the two parties went on, I would have to believe. I have no particular record of that, but I would have to believe that they did negotiate in some manner.

However, on Dec. 1, a fact-finder was appointed under the provisions of Bill 100. This, of course, was before the expiry date of the contract, which would expire at the end of the year. Before that time, negotiations had arrived at the point where a fact-finder was requested and appointed by the Education Relations Commission. This fact-finding process culminated in a report on Jan. 26, 1976. After that time, mediation occurred. However, no negotiated agreement was arrived at.

On March 3, 1976, the secondary teachers in the Windsor area conducted a strike vote and a vote on the last board offer. This last board offer was rejected and the teachers voted 8 per cent in favour of strike action.

Dean Ron Ianni, dean of the law school, University of Windsor, who had been mediating with the two parties, continued to mediate and be available to try to bring about a negotiated settlement. However, on March 20, the teachers, having already voted to go on strike and fulfil the requirements of Bill 100, gave notice that they would actually go on strike on March 30, and on March 30 the teachers in the Windsor area had a complete withdrawal of services from the 12 secondary schools in that area.

On March 31, the teachers returned to school but continued a form of work-to-rule. On April 1, the board locked out the teachers. There was a day of confusion as to who was in and who was out and what was actually happening. However, on the next Monday, April 5, as well as locking out, the board formally closed, as it can do under Bill 100, the secondary schools in the Windsor area and they were effectively then closed to the teachers. From April 5 until this present time, the schools in the Windsor area have remained closed.

I think the dates that are significant after that date of April 5, when the school closing occurred, are Monday, April 26, when the Education Relations Commission held a hearing in Windsor to listen to both parties and the public, and to ascertain and decide whether the programmes of the students were in jeopardy. At this particular time it should be pointed out, I think, that the teachers had begun what they called "alternative programmes," first for the grades 12 and 13s, and then a programme which has recently expanded down to the grade 9 level.

In one of their meetings with me, they informed me of this procedure and we sent people down from the ministry to monitor these programmes, and I think the report of our people has been made public. It was made public to both the board and the teachers, and it indicated the good points and the bad points about the alternative programme. I think, though, that it has to be said that credit must be given to the Windsor teachers for organizing a fairly credible alternative school programme, something which had not been done in any like manner that I can find in any of the other strikes that have occurred in this province in the last few months. At least, certainly not to the complete extent that this occurred in Windsor, although there were some very fine programmes in parts of Metropolitan Toronto run by some of the boards here during the strike, but I think nothing of quite the scope that was organized in this particular area.

However, as our ministry people who monitored these programmes found out, there were certain drawbacks to the programmes. Certainly they were very short of proper accommodation and space. The numbers were not great. Some students, for various reasons, did not choose to attend, full programmes could not be offered in all subjects or complete courses in other subjects. I think, though, for those who attended, in particular cases these programmes provided a good alternative. For others, they didn't provide

the alternative. The reason I disagreed to mention that first, Mr. Speaker, is that, of course, when the Education Relations Commission held its hearing to decide whether students' programmes were in jeopardy, it listened to what both parties and the public had to say, and in the report it said that at the present time the commission didn't think the students' programmes were in jeopardy, and one of the reasons that it gave—although not necessarily the only reason—was the existence of this alternative school programme that the teachers had organized. They said this offered, for those people who wanted the programme, an opportunity for them to take the programme, and, of course, as my friends know, they did not recommend that we should legislate an end to this particular dispute.

Upon receiving that report, the cabinet indicated that we would accept the view of the Education Relations Commission that students' programmes were not in jeopardy and that the best way to settle the dispute was through a negotiated settlement and that actually—and again the Education Relations Commission points this out in its particular report to us—the wherewithal to open the schools lies clearly within the power of the two parties, and particularly the board, which has closed the schools and locked the teachers out; really the key was in the hands of the school board and all it had to do was put it in the lock and turn it and those schools could be open.

This was based, I think, upon some presentations the teachers had made to them that if the schools were opened, they would probably go back although perhaps maintain minimum sanctions. So the commission was really saying to us the wherewithal, the means to open the schools in Windsor, lies within the parties' hands; there is no reason why they couldn't use those means and open the schools again, and then continue their negotiations in some manner or other.

We accepted this at our cabinet meeting on Wednesday, April 28, and as a result of that, later that day I wrote to both parties releasing the report of the Education Relations Commission and outlining a three-point programme to open the schools this last Monday and to continue negotiations. That programme consisted of the following: that the board suspend its lockout and suspend its closing of the schools effective May 3, that the teachers suspend their strike on May 3, that classes and full programmes begin again and that a dual mediation team of Dean Ron Ianni and a Mr. Haney from Kitchener move

in with the parties, which would begin negotiating at once, and that they negotiate until May 10, hopefully to arrive at a settlement. If they didn't arrive at a settlement, Dean Ianni and Mr. Haney would present a report to me and the parties as to how the matters still in dispute should be settled.

This offer was put to the parties on April 28 and I asked that I hear from them by April 30 as to whether they would accept this offer or not, a means whereby the schools could be opened and negotiations could continue in a very forced manner, a manner where there was some deadline at the end and a conciliation-type report to be written. In other words, real forced negotiations would occur but the schools would be open at the same time.

[8:15]

I was sorry to finally find that this proposal was not accepted by both parties. The teachers did accept the proposal. The board rejected the proposal because they rejected Dean Ron Ianni as one of the mediators. That particular small point I think is a regrettable point, one which I still cannot understand the position of the board on, particularly its comments about Dean Ianni and his partiality to the teachers—which I, in all my talks with him, failed to see. I think they did Ron Ianni a disservice suggesting that he was partial and in suggesting he said some of the things they said about him—some of them in my presence—which were absolutely not said: particularly that he was recommending to the board that they should accept the teachers' position. That kind of a statement was not put forward, and certainly not in any of the meetings that I had with the board and Dean Ianni during many of our talks which went on over the last week or so.

However, as things will be, the board didn't accept this proposal. Because it was necessary for both parties to agree voluntarily to some kind of a procedure to open the schools on Monday, May 3, this kind of action didn't occur and the schools didn't open.

Therefore, the teachers and the board came down here to meet with me on Tuesday, May 4. At that time I put forward the suggestion that they get together themselves and try and either come up with some arrangement that could open the schools and continue their negotiations, or else negotiate a settlement to the whole matter. There are not many matters remaining in dispute, only three or four, and it would seem to me that a good session of negotiations could complete

the procedure and bring about a negotiated settlement.

The parties did consent to meet together face to face on Tuesday afternoon, and they began a session of face-to-face negotiations which went until about 10 p.m. on Tuesday before adjourning. They went back to Windsor and began yesterday in the early evening and went through, I think, until about midnight. I guess I had hoped that out of that session of concentrated, forced negotiation would come a settlement to a matter for which negotiations began away back last August.

However, I was advised this morning that these face-to-face negotiations had concluded and that there was no settlement; no agreement had been arrived at; and no common ground for settlement had been delineated. I, along with my colleagues in cabinet, then had to decide whether we should take any action, or whether we should wait for further steps to unfold.

It was our decision—and I must say we have not had a recommendation from the Education Relations Commission. We are into about the 28th day of classes being suspended for the students in Windsor. With this in mind and, as I say, with no further recommendations from the Education Relations Commission—and I want to emphasize that. We have received no advisement from them since their communication to us of April 27.

However, we had decided that we must take this step at this time, and that is to restore or open the schools in Windsor. We feel that the 28 days that have elapsed, coupled with the two other strikes that have occurred for these particular students, many of them in the upper levels now, having experienced the other two strikes as well as this strike; keeping this in mind and the fact that with this period of negotiations and contemplation of negotiations that have gone on, particularly in the last week or so, and still no contracts being arrived at, no negotiated settlement being arrived at, that the prospect of anything happening the very near future are not very great.

Therefore, considering first and foremost the students and the demands, the admonitions, the requests of a lot of citizens of Windsor—some of them sitting in this House—having considered these requests, we feel the only logical course of action is to bring in this bill, which we are bringing in today. It provides for the suspending of the strike, the

opening of the schools, the suspending of the lockout on the part of the board.

I want to emphasize that, because this is one of those areas where there is a lockout and the closing by the board. That, in fact, is what is keeping those schools closed at the present time. This bill suspends that, cancels the strike and puts the matters to arbitration as we did in several other bills, to speedy arbitration by an arbitrator appointed by the Lieutenant Governor in Council who will report within 30 days.

I know my friends over there are going to argue that what we really need is to suspend the legislation and say, "Get the schools open and then let's have another session of negotiations." I just have to tell them I don't think that is practical and it won't work. I have never believed it will work.

Mr. Foulds: Why not?

Hon. Mr. Wells: We have tried to get it working and it is just going to cause further problems for the city of Windsor. I just want to say that I hope my two friends over there who represent that city will for once come with us and vote with us in a bill which I have to believe most of the city of Windsor wants passed in this House tonight, because they want those schools open next Monday and they want some kind of finality to what has become a very very serious problem in the midst of the education system.

Therefore, for the good of those students and in response to what I would have to think the majority of the citizens of Windsor would like to see happen, we are bringing this bill in today. I would hope we can pass it in a speedy manner and that things will get back to normal in Windsor and they can enjoy quality education as they deserve to enjoy.

Mr. Bounsall: Mr. Speaker, I certainly appreciate the minister's remarks and his summary of the situation in Windsor. I might say I think he was quite accurate as he outlined the steps which had taken place in the Windsor situation. I agreed with the minister in the feeling he has got from Windsor that the great majority of people in Windsor want the classrooms open and the students back in those classrooms. I too am glad to see that the classrooms will be open on Monday and that the students will be back in the classrooms.

This does not speak to the point, however, as to under what conditions they are back in the classrooms. This is the only point on

which the government party, represented by the minister, and we over here differ. We differ in the way in which the negotiations or the settlement will then be arrived at. We are in agreement that the classrooms be open and that the students be back in those classrooms. The citizenry of Windsor feels that way but the citizenry of Windsor is not saying to the minister compulsory arbitration, which is what is contained in the bill.

I appreciate that last week and since a week ago Wednesday and before, the minister has indeed tried to be innovative in his approach to this very difficult situation. But we here are very disappointed in the form of the bill in which the minister simply imposes compulsory arbitration as the means of settling the issues in dispute. We have no quarrel at all, in fact, we support the minister in the fact that the classrooms are to be opened on Monday, and we deeply regret very much that the sides could not reach a negotiated settlement.

The minister is quite right. I think as of today, the students have been 27 days out of school and there are some 32 days left in the programme. By the time we finish the bill tomorrow and they get back into the classrooms Monday, they will be 28 days out of class and there will be 31 days left in the term, provided one doesn't count the professional development days which the bill provides may be cancelled.

I think there is some concern particularly among the parents of those students who go to high schools that are on the semester system. I have a daughter—at least I have a teenage young lady staying with me; not formally a foster daughter but a sort of private placement—who is in one of those schools, Centennial High School which is on the semester system. I know precisely how much work she will be having to do once school is reopened on the semester system in order to complete the year. This week she has been attending the classes set up by the teachers, the alternate form, as a means of not falling behind. I gather that certainly in this past week and in a rather concentrated way she has been reviewing, on her own, French vocabulary and grammar, a course which for her particular level of grade 11 and grade 12, is not offered in that alternative system. I'm very conscious of the time factor and the days lost.

One of the things which profoundly disturbed me in the Windsor situation, way back when, was the report of the fact-finder. I'm not going to dwell on the details of that report but the fact-finder's role, as ex-

emplified in this Windsor situation, was not really the role I envisaged when Bill 100 came into being. It was really the equivalent, in labour relations of a no-board report.

We did not envisage the fact-finder doing this. We envisaged the fact-finder going in, becoming seized of all matters in the dispute and remaining there until he, in his or her own mind, was thoroughly seized of all matters in the dispute. The fact-finder would then come out and write what he felt to be a solution, in detail, to the matters in dispute.

This fact-finder did not do that. To me, at that time, it was a great disappointment. I felt at that point that we were heading for some difficulty in the Windsor area with that sort of a non-fact-finding report from the fact-finder. I don't mean to dwell on this because events have gone on since then but that certainly was not helpful in the situation and was to be regretted. It was not how I envisaged the fact-finder to operate.

In the situation I might say and I'm sure the minister knows this, the teachers did not want a strike. They did not want to take a strike vote and they really couldn't believe that what they thought to be rather reasonable offers on their parts would be so thoroughly rejected by the board; and that such a final offer would come from the board as did come, causing them to have to reject it. There was a great deal of shock among the teacher community that the board's final offer in early March was such that they found themselves having to reject it and having to take a strike vote in order to back up their side of the argument.

Many teachers said to me at the time, "All they had to do was continue the 1975 cost of living arrangement in that contract and we would have been willing to continue. We can't understand why that can't be done." They recognized, sure, that in terms of negotiations they had a few more items on the table but they did not really expect there to be any difficulty. They just couldn't understand why the cost of living arrangements in the 1975 contract would not be carried over into this one which is all they would have required in order to return. This is from personal conversations with many teachers.

It was with some great reluctance and, for many of them, a state of shock that they found the very reasonable and acceptable position which they would have accepted was not what the board was offering and that they had to go on strike. The strike vote

was taken and, in rather overwhelming numbers, however reluctantly, they found themselves in a strike situation.

I might say, with reference to the minister's statement, that the date is rather an important point. I would hope the minister would search this out tonight before we come to the clause-by-clause committee debate stage tomorrow on this bill. The date which is in the bill is with respect to the commencement of the lockout. There was a lockout on April 1 but, really, the procedures which the board took up to that point were deemed to be illegal. It was really admitted by the board in the sense that it then redid its whole procedure among its members, taking a vote thereafter. The legal date of walkout was April 3 and not April 1.

[8:30]

I would hope the minister will carefully search out that point because I believe the bill should be amended in the "whereas" clause to indicate that it was on April 3, not April 1, that the lockout took place. If it stands, I'm afraid I will have to place an amendment to recognize the actual happenings in Windsor and the fact that the legal lockout did not take place until April 3. The board redid its procedures between April 1 and April 3, and its redoing of them was an admission that the April 1 date was not valid and that the April 3 date is the proper date for the lockout. It's an important point, because it affects by a couple of days the pay of the teachers involved when the dispute is settled.

Throughout this whole thing, the board has not wanted to negotiate. I think that is fairly clear, and I say to the minister, why should they? This is where the ministry's procedures with respect to disputes have fallen down. I believe that legislation ending disputes in Metro Toronto, Kirkland Lake, central Algoma and Sault Ste. Marie, after the classrooms had been closed for some time, is responsible for the unwillingness of the board to negotiate. I believe that the board can feel confident that as long as they dig in their heels and do not negotiate in a way that will lead to a properly negotiated settlement; if they simply dig in their heels and cause a strike or effect a lockout themselves, that after so many days, as has happened in the other disputes, this government will come in and open up the schools and provide a solution. In most cases, of course, the solution has been compulsory arbitration, which gets the board off the hook.

It has been stated by the teachers, and it is felt by the teachers that in this situation this is precisely what the board has been up to. The board members are up for re-election this coming December, and they would like to be able to say at that point, "Look, we didn't give the salary increase. We didn't give the economic settlement that occurred. It wasn't us." Their whole game plan throughout this was to let the strike occur or to cause the lockout to occur; to not bargain in good faith throughout, or at least to not bargain in a way that would result in a settlement; and to have this kind of legislation come forward again so that someone else would have to bear the brunt of any increased expenditures which the board would have to make as a result of the contract.

Again, on this very point, we are in some difficulty in Ontario, with a growing feeling on the part of both sides for that matter, but particularly the boards, that they can simply wait it out and let time from the classroom elapse on the part of the student. All of us are concerned about the students' lack of education, there's no question about that; and that concern will lead to their being placed back in the classroom and the board off the hook. This has always been one of our main concerns about the way things are going and it has led, as the minister knows, to our proposal in the past on other bills to open up the classrooms and get the teachers and the students back into the classrooms—not by compulsory arbitration of the dispute but by compulsory negotiations in which the government ensures that both sides keep up bargaining in a compulsory form and makes it very clear that neither side, in this case the board, will be let off the hook in terms of reaching a negotiated settlement. That is our concern, that is why we have placed the amendments that we have, and that is why, yet again, we will place those amendments tonight.

Some parts of this dispute also cause me concern. Away back on April 30 in the House, the Premier (Mr. Davis), in the absence of the Minister of Education, indicated that in view of the cumulative situation in Windsor—three strikes having taken place in a four-year period—the probability of the government allowing the situation to last for any lengthy period of time in his view was very limited. I expressed concern at that time because I thought statements of that sort would encourage the board not to continue to negotiate.

On Monday, April 5, in the House I expressed my concerns to the minister about

that and what effect that would have on the negotiations. Would that not have a detrimental effect, I asked. He expressed his concern about the whole situation. My colleague, our education critic, the member for Port Arthur (Mr. Foulds) asked the minister—since the situation in Windsor is qualitatively and quantitatively different, as recognized by the minister and the Premier, from the other situations we have faced—does it mean that if the government is forced to legislate it will bring in more innovative legislation than it has to end the previous disputes?

I'm afraid what the minister has brought in is simply the Metro Toronto solution here and not an innovative solution in terms of legislation, and that is very disappointing. We will continue to place what we feel to be the innovative solution to this situation as we have done in the other situations. The minister has replied in a very positive way that he has said many times in this House and will continue to say that negotiated settlements are the best kind of settlements. Of course, we agree with him in that statement.

Turning back to the situation, the Education Relations Commission had a public hearing very early on in the Windsor situation which I attended as an observer. I think what one might say to be the positions of both sides became fairly well known in the Windsor area. Since that time, various citizens' groups arose trying to have an influence on both sides, particularly to negotiate—groups headed by Jerry Potvin, Sarah Byer and Barbara Cecily. They suggested a mediation group be formed, key persons on that being Mr. Potvin himself, Mr. Ed Baillargeon, the president of the Windsor and District Labour Council, and a third person, as a means of helping to settle the strike or the lockout, and that was not picked up.

Over two weeks ago now, in response to the way information and requests were being transferred back and forth between the parties, the teachers said: "If the board will lift its lockout, we will return to the classrooms and, as long as the board continues to negotiate, we will remain in the classrooms." The teachers, I believe, were then asked by the minister or one of the ministry officials what happens if negotiations break down? And they said: "We will still stay in the classroom for another three or four days so that it's very clearly determined that negotiations have broken down before we would continue to take any sort of strike action." That showed a real willingness on the part of the teachers in this particular strike, which really

is a lockout, to do everything they could to get meaningful negotiations going, and that was not acceptable to the board.

The Education Relations Commission, as the minister mentioned, did have a report on the Windsor situation on April 27. In that report they had some very interesting things to say. Reporting to the minister and the Lieutenant Governor, they were unable to find that the continuation of the dispute between the Windsor Board of Education and the branch affiliate of OSSTF would place in jeopardy the successful completion of the courses of study by the students affected, after careful considerations made by the board, the branch affiliate and interested affected citizens including parents and teachers. They went on to explain some of it. They indicated that the time lost by then, 18 days, was not insignificant and they mentioned the three fairly prolonged interruptions in four years. They might arguably adopt a view that the time lost in 1976 has a cumulative effect, at least upon the senior students who have experienced all three conflicts. On the other hand, they said:

When we address the prospect of harm to the students, we cannot avoid giving weight to the availability of alternative instruction organized by the branch affiliate almost from the outset of the dispute.

I will digress for a moment from reading the decision. I quite appreciate the minister's comments when he says a very fine programme of alternate study was set up by the teachers almost from the very start of this dispute. Initially, it was for the senior students only, grades 12 and 13. But in the past week and a half it has been extended to cover all the classrooms in all the grades in the Windsor schools, with most of the regular subjects being taught. The Education Relations Commission report goes on to say:

In gauging the ability of the students to recover ground lost to date, the affirmative influence of alternate instruction must be taken into account. [And the report concludes] Generally, the alternate instruction is of acceptable quality except in relation to certain technical and scientific subjects, which depend upon the availability of facilities such as laboratories. However, to date it also demonstrates that the number of students reached by the programme is far less than the total enrolment, even at the senior grades to which it has been directed.

They say, as well, that if the classes were extended to all grades and all schools af-

fectured and they managed to attract substantial attendance by the students and participation by the teachers, and if they managed to extend them to virtually the whole curriculum, they would be loath to make the finding under section 61. That finding being, of course, that the education in this particular year was in jeopardy.

They go on to make other comments. One other thing I found interesting from the report—and it was quite a lengthy and well-written document, running over five pages—was:

While the boards and teachers are ultimately committed to the students, each also has separate interests which may be differentially affected by our intervention. An interruption of classes, whether by strike or lockout, means an immediate economic loss to individual teachers; and to the extent that they receive strike pay, by their central organization. But the school board members suffer no such loss and the board itself probably profits from the savings of teachers' salaries during the conflict.

I would like to expand on that point just a little bit at this time in my remarks. I understand the saving to the board for each day of the strike is roughly \$40,000. So at this point, the board has saved over \$1 million in terms of salaries.

This lends weight to another point in the report. If the board wishes to balance its budget and not increase taxes, all it has to do is force a strike or affect a lockout so that it can then have enough money saved in which to balance its budget. This is another point which does not lead to meaningful negotiations or lead the board particularly to reach a negotiated settlement—until it has saved some money.

I must also say to the minister that one of the points, in all fairness to the board, which has worried the board in terms of granting a new contract which would involve a monetary consideration, an increase in wages of some kind to the teachers, is the fact that it did lose half a million dollars in grants this year from the ministry. The cutback resulted in a half-million-dollar cutback to the Windsor Board of Education and this has affected negotiations.

If the normal increase had occurred, it would have some money with which to play. They also have to make up that in taxes from the public; roughly half a million dollars, I am told by the board. Certainly this has had an effect upon the board in its determina-

tion of what it can do in the situation. This is part of the situation the board finds itself in, the fact that taxes must be raised in Windsor to cover that particular loss of income which the board would receive from the ministry.

[8:45]

I might say at this point, Mr. Minister, that the teachers very strongly feel that they have done everything they could right along. The board may say they have been flexible over some of their points, but of the three points in issue, the pupil-teacher ratio and the continuation of the cost of living allowances which they negotiated in 1975 are very important points to the teachers.

They felt after the 1975 contract that they had a contract which could be very easily continued with those sorts of provisions in them. They are very loath, having had a couple of strikes, particularly a lengthy one last year, to arrive at that position, to go through another strike in order to have that continued. They are very loath to give up the cost of living allowances which they won at some sacrifice to themselves.

All along they have been willing to negotiate. They have been appalled that they did have a strike situation facing them, finding themselves locked out. They found themselves all along agreeable to any sort of means by which the classes could be opened.

They said, "We'll go back and we will continue in the classrooms as long as negotiations can continue and even for three or four days beyond that before we consider taking some other form of action." They indicated that that action may be in some form of a rotating strike among the schools, so that the pressure was still on somewhat but classroom time was not being lost right across the city. Then, to get a bill of this type coming in, is simply compulsory arbitration.

There is no doubt a certain feeling among the teachers that they have been somehow unfairly dealt with throughout all of this, including by the ministry.

They accepted the minister's proposal— an innovative one really, based on our suggestions of compulsory bargaining—which the minister made on Wednesday, the 28th, following the ERC recommendations. They accepted that. They put no conditions upon it and were appalled to find that the board had turned it down.

I am glad the minister cleared up in his remarks over that point that the public reason given by the board was lack of confidence in Dean Ianni in making statements

about what Dean Ianni had said in front of them to you, to the effect that he could not understand why the board could not accept the position put forward by the teachers. I note that the minister denies, as far as his recollection goes, anything of that nature coming forward and the minister does not see any reason why, from his perspective, Dean Ianni would have lost confidence in the board and could not have accepted Dean Ianni as a mediator.

The teachers feel that they have gone all through this situation in good faith. They wanted to negotiate. They wanted to negotiate a settlement. They have responded to the minister's proposals positively and they find the same bill back before us, a bill, I understand, which definitely causes many of them to feel that they have done everything in good faith and they don't deserve this kind of compulsory arbitration bill back before them.

Several teachers have since said to me—and some have been on the phone today—that some of them may not be turning up in the classrooms on Monday. This is the effect that it has had on the teachers who have proceeded in all good faith.

I would say at this point to the teachers: I hope you do not take this attitude. You have shown right along, particularly in the recent stages, that you are willing to co-operate. The public is perceiving this. We who are involved in the situation perceive this. This would be an unfortunate move for any of them to take this coming Monday.

They were willing to go back in good faith, trusting that something would be achieved right along. In spite of compulsory arbitration that this bill includes, I would say to the teachers, "Do not take steps now not to return to the classroom on Monday," but the minister should be aware of the feeling of at least some of the teachers in response to this particular type of legislation which has been brought forward.

Here again I point out that they are not opposed to returning to the classrooms, they're just opposed to the compulsory arbitration as the means of reaching the final settlement here. They have mounted the alternative school programme out of their concern for the students involved and, by the minister's own remarks, it has been a very good one. I feel it has been a good one too. I hear from parents about the quality of it and it's a mixed reaction. Some have said, "Well, all they do is hand out assignments. They're not doing too much teaching." Others have said, "Gee, we're getting better instruction

than we got from the other teacher we had." That's not surprising, that there should be some dichotomy in terms of what the alternative school programme has provided, but it's been given in very good faith and in pretty good spirit by the teachers involved, and they felt they have made every effort. We simply hope their disappointment in this bill will not lead to the particular action which they are thinking of.

Let me return to last Wednesday. The minister last Wednesday did a very positive thing, from my point of view and our point of view here, where he laid the scene—this is a week ago Wednesday, April 28—for what I thought to be a solution. He said, "Open up the classrooms on May 3. In the interim, bargain and we will appoint the two mediators, Dean Ianni, who has been in the dispute all along, and the other mediator, Mr. Haney from London."

The conditions were that the strike and lockout be suspended, negotiations would continue from Friday, April 30, on with the second mediator, Mr. Reginald Haney, also there with Dean Ianni, and if no settlement was reached by Monday, May 10, the mediators shall present a report to both parties in the dispute to the Education Relations Commission and to yourself, the minister, recommending how the matters remaining in the dispute should be settled.

That was very positive. That was where the minister was innovative. The minister, in essence, was adopting in a sense what we have been proposing as the legislative solution in these bills; that the parties open up the schools and that forced collective bargaining continue and, as well, set a date at which, if a conclusion wasn't reached, a report would be made to the minister and then some action be taken.

I asked the minister a question on the day following his offer. I was a bit concerned that the setting of the date—May 10—would cause both sides not to negotiate, and I think the minister replied in very good terms. He indicated that the matters that were in dispute would be reported to him and that they recommend how the dispute should be settled, and implied at that time that perhaps they just wouldn't come back and say, "Look, this is the type of legislation to end it," but they might in fact come back and say, "Look, having been seized of the facts of the matter, this is the solution which we would like"; in other words, do the role that the fact-finder had taken. Then, of course, if that's what was envisaged, if the sides did not accept that settlement, the

minister could always come in and legislate that particular settlement.

It was a very good try by the minister to take into account our proposals and put some compulsion into the bargaining. The next day I questioned him again, when that was rejected over the weekend by the board, and in this regard I would like to read just a short editorial from the Windsor Star that appeared on Monday, May 3:

School Trustees Drag Their Heels

It was just a couple of years ago that most of the clear-thinking, rational people of the world laughed at the antics of the Paris peace talks. Where people would sit, the height of chairs, and who would cook the meals, and why some tables were larger than others, were a few of the nonsensical objections raised by allegedly-mature men with a professed interest in seeing an end to the Vietnamese conflict.

To try and draw an analogy between that and Windsor's secondary school teachers' - board of education contract dispute is a shaky position. But the nonsense part is certainly in evidence and the Windsor Board of Education is the perpetrator.

With only a modicum of exterior gloss the board now suggests, Ron Ianni, dean of the University of Windsor law faculty and mediator in this dispute for the past two months, is biased. Why else would they want him replaced? In board chairman Lex McCrindle's words, "We have nothing against Dean Ianni; he has worked intensively on this with us. But the board feels [a new mediator] would be in the best interests of obtaining an negotiated settlement." Hogwash, or is it pure coincidence that an assistant mediator to Dean Ianni, Kitchener lawyer Reginald Haney, also appointed by the province, just happens to be a former Kitchener-Waterloo Board of Education trustee?

Now shall we return to the subject of real or imagined bias? Education Minister Thomas Wells proposed last week that the board suspend its lockout, the teachers suspend their strike, and negotiations resume. The teachers, known to periodically nit-pick to ensure that they are not conned, accepted the idea, lock, stock and so on. That sounds like good faith, especially considering their willingness to have an ex-trustee act as a mediator. The board says it wants only Mr. Haney. That does not sound like good faith, in fact that sounds more like an attempt to gain an edge when it comes to talking terms. The

board has by its own hand cast aspersions on its sincerity, its wish to see an end (preferably an amicable one) to the strike. It becomes clear the board does not want to negotiate, it wants the province to take the whole messy business into an arbitrated end.

A very positive editorial, I think, and one which describes the situation. Following on that very Monday I asked the minister would he be willing—or words to this effect—to in fact come in, and would he consider, as one of the means of settling the strike, legislating his very reasonable proposal of last evening—bring in legislation based on his proposal of Wednesday, April 28. The minister has chosen to come back with this type of legislation—legislation, Mr. Minister, which we find very disappointing in its compulsory arbitration aspect.

We're concerned that compulsory arbitration is not the means of the settling future problems which the board and the teachers in Windsor may have in post-August, 1977, as a means of settling their disputes. Forced arbitration is not the means of resolving problems for the future and it's because of that concern that we will continue to place our compulsory bargaining reasoned amendment to this particular bill, and I so do, Mr. Speaker.

Mr. Speaker: Mr. Bounsall moves that Bill 75 be not now read a second time, but that it be read a second time one hour hence and that it now be referred back, to have incorporated therein the following amendment.

Section 1: Subsection 1(a) to be deleted and all subsequent clauses of section 1 be renumbered:

Section 2: Subsection 2 to be deleted and the following substituted therefor:

During the period from and including the first school day after the day this Act comes into force until an agreement as defined under the School Boards and Teachers Collective Negotiations Act, 1975, comes into effect, no teacher shall take part in a strike against the board of education and the board of education shall not lock out a teacher.

Section 3: Subsections 1, 2, 4 and 5 to be deleted.

Section 3: Subsection 3 to be amended to read as follows:

The parties shall give written notice to the Minister of Education within seven

days after the day this Act comes into force setting out all the matters the parties have agreed upon for inclusion in an agreement and the matters remaining in dispute between the parties and the notice shall be deemed to be notice to the commission and thereafter, except as provided in section 57 of the School Boards and Teachers Collective Negotiations Act, 1975, a party shall not withdraw from the negotiations hereinafter provided for.

[9:00]

Section 4: Subsections 1 and 2 to be deleted and the following to be substituted therefor:

Subsection 1. The parties involved are instructed to resume forthwith negotiations in good faith in order to resolve all matters remaining in dispute.

Subsection 2. Notwithstanding subsection 1 of section 51 of the School Boards and Teachers Collective Negotiations Act, 1975, the agreement giving effect to all matters agreed upon by the parties shall be for the period commencing on the second day of January, 1976, and expiring on Aug. 31, 1977.

Mr. Ferris: Mr. Speaker, I would like to address a few remarks. Once again I am probably in a position very similar to that of the Minister of Education in that I am a little disappointed this legislation is here, too. It is very familiar legislation and I don't think it requires a great deal of discussion to be taking place.

I think somebody commented during the minister's opening remarks that it was district 1 and obviously Windsor has a situation of being No. 1. I think perhaps it relates more in my mind to the fact that this is the only place where there have been three disruptions in the school system in the last four years. Those three have meant that the effective time lost by the students in the fourth and fifth years of the school programme would amount to the equivalent of about one-third of a school year. I can't help thinking that this would have a tremendously bad effect on how these students are prepared as they go on into university and into the work force.

Along that line, because of this thinking, the report of the ERC on April 28, wherein it stated it felt the programmes were not in jeopardy, bothers me a little bit. It said the programmes being offered by the teachers could perhaps adequately cover at that time. I would think the previous disruptions in the system which had taken place in 1972 and

1974 would far outweigh the possibilities of what was then an uncertain programme of the future and what might be taught. There was also the fact that the attendance probably, from the discussions I have had with the people, was no more than 50 per cent at best in any of the years. In the vocational programmes especially and in the ones for which labs are required, it is virtually impossible to find any facilities which could cope with this situation.

Certainly I do join with the Minister of Education and my colleagues in the NDP and I commend the teachers. I think this has been a very genuine show of good faith on the part of the teachers in trying to establish these courses and to make the arrangements. It was very difficult, I am sure, to find facilities in which they can perform the functions they wish to, trying to improve the education of these children in perhaps very difficult circumstances in many cases.

Mr. Warner: This is their reward for it.

Mr. Ferris: I am also very disappointed at the conduct of the Windsor Board of Education in this dispute. Having negotiated, I can't believe that you throw something into a contract—a very major item—and withdraw it at the next point in time. Maybe they have their reasons—I have never had them justified to me satisfactorily—and it is very incredible to believe that the situation came to that point last week. I commend the minister for his suggestion of giving them the unlegislated reasoned amendment of the NDP, of giving them the option to do this without the benefit of legislation. In my mind, it is exactly the same as what the NDP is using as a reasoned amendment; and by their refusal to accept this kind of action, they obviously do themselves a very great disservice.

When I think about the approach that was taken by the minister as opposed to the reasoned amendment the NDP is putting forward, at least there was a degree of finality by virtue of the fact that some dates were mentioned by the minister, such as the May 10 date, when some kind of action had to take place. In my mind, the biggest failing of the reasoned amendment of the NDP that has been put forward in each of the disputes so far is the fact that there is nothing in it that guarantees there will never be a finish to the dispute. It might still be going when the next contract should be getting on to being negotiated.

As I say, I do commend the minister for

giving this option to the people. I certainly wish that the board in their wisdom had seen fit to accept that and get back to the table. It is most unfortunate that we have a situation where the 12,000 children in the school system must be affected by a personality problem involving only one person. I think it is unreasonable, just because he is a mediator, for him to almost say that he will force his position. In my experience, the terms of negotiation don't say that the arbitrator or the mediator can sign the document, but only that the two sides must agree. So they still have all kinds of control over what is going to go on, and at least they could show enough good faith to go back to the table.

One of the other things that should be commented on once again is that this is the first strike where we are talking about a calendar-year contract that is held by a teaching group. It point up the fact that one of the clauses of Bill 100, which brought back the negotiating of all contracts on the basis of a school year, is a very sensible and very good clause. The fact that we could get into a situation where a strike, because of the nature of going through the steps of Bill 100, brings us to this point in time so close to the end of the school year is certainly a very difficult situation with which to live.

Because of the importance of finishing the school year, and since there is so little of the school year left, meaning there will be great difficulties in crowding the amount of school work into the short period left, we will be opposing the reasoned amendment of the NDP and we will be supporting the legislation.

Mr. Burr: Mr. Speaker, like other members, I have mixed feelings about Bill 75. I'm regretful that it has been made necessary but happy that the ministry has finally been persuaded that the students must get back to their classes.

Mr. Nixon: But you are voting against it.

Mr. Burr: I am happy to see the students return.

I should have been much happier if this legislation had been brought in on April 6, when everyone expected that it would be, rather than today, on May 6, after serious damage may have been caused to the academic careers of many Windsor students.

Almost everyone realized that the students could not afford to be out of school, including the Premier (Mr. Davis), who at the very beginning, on Tuesday, March 30, as recorded

on page 744 of Hansard, in reference to the Windsor teacher-board confrontation, expressed his concern for the students as follows:

It is a personal feeling . . . that with the sort of cumulative situation in the city of Windsor the probability of the government allowing the situation to last for any lengthy period of time, in my view, would be limited.

[And a few minutes later he said with reference to Windsor:] I do not believe a prolonged strike could be tolerated, and instead this should be brought to an end quite speedily. If this emerges tomorrow [he was referring to the cabinet meeting] as being, in fact, government policy, which I expect it will be, without question that will be communicated to both sides in the city of Windsor, because the academic career of those students at this stage of the year cannot be prejudiced.

Mr. Speaker, I'll read that opinion of the Premier on March 30 again: "The academic careers of those students at this stage of the year cannot be prejudiced."

In the face of such statements, Windsorites—the citizens, the board members, the teachers, the students—all expected legislation to be forthcoming in two or three days, certainly by the following Monday. Under such circumstances, further genuine negotiations were obviously impossible. Everyone awaited the back-to-school legislation, yet no move was made by the ministry. Finally, the ministry met, separately, both teachers' representatives and board representatives on Thursday, April 15. Just what hopes the minister gleaned from these meetings is unknown.

It is true that a three-citizen group at this time offered to mediate and was accepted by board and teachers. How could they refuse at this point? Yet a 12-hour negotiating session on Easter Monday achieved nothing.

There are times when an identifiable and unmistakable impasse is reached. This was one of them. The Premier himself had indicated that the students would not be out for any length of time. However much we all agree that a negotiated settlement is the best kind, it was evident after the Premier's statement on March 30 that further negotiations would be fruitless and that further efforts would be a waste of time, both for the board and for the teachers and above all for the 12,500 students, whose academic careers were obviously in jeopardy at this point in the school year.

It should be obvious, also, without a pronouncement from the Education Relations Commission, that 20 days out of school in April is as bad as 40 days in November. It may even be disastrous for some of those

students whose further education may depend upon their success or failure to win a scholarship in competition with students from other communities where there have been no interruptions in classes.

It has become obvious that there is now only one way for classes to resume in Windsor, and that is through legislation. I support the return to classes, as do we all. I am going neither to defend nor to castigate the board or the teachers, but the present moment seems opportune for a few reflections on the future of collective bargaining in the educational field.

For many years, before Bill 100 became law, teachers used to negotiate with boards, finally either agreeing to the contract offered or, in many instances, refusing the contract. When they refused the board's final offer, however, this did not mean that they worked under the previous year's conditions and the previous year's salary. It meant merely that they got the new conditions and new salary offered by the board, but they did not formally acknowledge that it was an acceptable contract. A certain coolness sometimes developed between the negotiating committee members of both sides, but that was about the worst thing that happened. In the following year, the board, in many instances, offered a more favourable contract and the relations between the teachers involved in the negotiations and those board members or board officials involved improved somewhat.

[9:15]

On the whole, the system worked, but when inflation became a serious matter, teachers' salaries throughout the Province of Ontario tended to fall behind in relation to those of other groups in the community. Talk of strikes by teachers reflected their increasing dissatisfaction with their failure to maintain their relative economic position.

Bill 100 was an honest effort to give teachers full collective bargaining rights. It offered alternatives to strike action, some of which have been used and used to good effect. But it also granted clearly the right of teachers to strike. Under Bill 100, in about 98 per cent of the negotiations, the strike weapon has not been used. We now find that when it is used, it is not necessarily the ultimate step.

Under Bill 100, in almost every instance, it has become the penultimate step; it has become the second last step. This Legislature has had to pass legislation in five cases out of six, I believe, to end the strike and require arbitration. This has led many people

to ask: "How intolerable a procedure is compulsory arbitration?" They find out that in many instances employees have been pleasantly surprised by an arbitrator's decision.

In the Sault Ste. Marie dispute the teachers preferred binding arbitration to strike action and actually asked for it in order to avoid closing down the schools. Obviously, to many teachers in Sault Ste. Marie, binding arbitration is a lesser evil than a strike. In that instance, the board refused to go voluntarily to binding arbitration. This Legislature had to legislate an end to that strike or lock-out and legislated compulsory arbitration.

In the decades before Bill 100, teachers had recourse neither to binding arbitration nor to the strike weapon. Since Bill 100 was passed they now have both, but they cannot count on binding arbitration without risking strike action first. They cannot get binding arbitration, if that is what they prefer, without going on strike.

Many citizens are asking how Bill 100 can be made more effective. After viewing the behaviour pattern that has emerged from recent troubled negotiations between teachers and boards many people are raising this question: "Which is worse, binding arbitration after a strike or binding arbitration instead of a strike?"

This seems to be the choice that is emerging for many communities. Are the teachers in Sault Ste. Marie behind the times or are they ahead of the times? The Minister of Education says that a negotiated settlement is the best kind of settlement; so does the Premier; so does every member in this House. The question is: What is the second best kind of settlement, when the first kind becomes impossible? I merely raise the question and I leave it for others to find the answer.

Mr. Warner: That's your job; you know that.

Mr. Burr: Many citizens are posing another question:—

Hon. Mr. Wells: Come on, Fred.

Mr. Breithaupt: He will still vote for this bill. Just be careful, he can still do it.

Mr. Burr: —"Why not a provincial salary scale?" "Why," they ask, "should the taxpayers of Ontario have the expense of 100 school boards hiring 100 lawyers or other high-priced negotiators?"

They say that even if all the teachers in the province went out on strike at the same time, at least no students would suffer com-

petitively. Again I express no opinion on this point of view, but I merely give notice to members that it is the question that is going to be asked more and more as strikes follow strikes.

It has been said that everyone suffers from an educational strike — students, parents, teachers, board members, the whole community. Not quite everyone. The hired negotiators always win.

I don't know under what terms they work, whether by the hour or by contract, but I suspect that the longer the negotiators work the more they receive. I suspect that like two lawyers representing two auto insurance companies and writing countless letters to each other, the longer they prolong the negotiations the more financially rewarding the whole operation becomes. With this in mind many people are saying: "Let the board members do the negotiating with the teachers. That's one of the jobs we pay them to do."

With the students returning to classes in Windsor on Monday one of the causes of the impasse in negotiations has been removed. We still are left with the resolution of the collective bargaining dispute. There are two alternatives: A negotiated settlement or an arbitrated one. We agree with the minister on the proposal he made a week ago that the students return to school and negotiations continue; compulsory negotiations if one wishes. We agree with the minister that a negotiated settlement is better than an arbitrated one. For that reason, I feel the teachers and the board should continue negotiations but with some fresh faces. If the present negotiators and mediators have reached inflexible positions let them use some pinch-hitters but keep on trying.

To sum up, I support the reopening of schools on Monday. I support the minister's view that a negotiated settlement is the best kind of settlement. I agree with the minister's proposal last week when he requested that the schools reopen and the negotiations continue. For those reasons, I support our reasoned amendment.

Mr. Sweeney: Mr. Speaker, this is the fifth time in five months. I am reminded of a scene in the film "Michelangelo," as he was painting the Sistine Chapel. The Pope of the day walked in after many such visits and said, "When will you make an end of it?" I think many of us in this Legislature are feeling the same way. When will we make an end of this practice?

Reading a single paragraph from the ERC report sums up partially the dilemma that we all find ourselves in once more:

To strike a balance between these policies is our task. If we acquiesce in a conflict for too long we will have failed in our duty to the students. If we prematurely precipitate legislative intervention we will undermine the bargaining process.

Surely, that is the dilemma we find ourselves in once again but, nevertheless, we are here.

These issues seem to have a certain sameness about them but there are some real distinctions in this one which I think we need to remember. The first one is that this is essentially a board lockout rather than a strike. Secondly, as has been pointed out, this is the first situation we've been involved in whereby a board and its teachers have been involved in strikes, lockouts, whatever you wish to call it, for the third time in a relatively short period of time.

Thirdly, for the first time, at least in this particular round, we are dealing, as a basic issue, with the intention of the board to withdraw some of the benefits it had previously agreed to.

Fourthly, we have here, again it has been pointed out, a recognition of and a commendation to the teachers of this board in a real attempt to offer alternative programming.

The basic issue, however, as I understand it, in the minds of the teachers at least, and in the minds of the board, is the decision of the board to attempt, through negotiations, to reduce or to draw back from previously negotiated situations.

There are a couple of questions here. The first one is can the board legitimately and unilaterally decide to drop from its contractual arrangement the COLA clause which was previously in it, when the understanding of the teachers was that no changes in that contract would be made until a new one was signed? I understand that is a very sore point which is presently being grieved. If, in fact, that is the situation then it certainly should be grieved and it is understandable that it is a sore point.

The follow-up to that is can the board even negotiate a change in a previous agreement? I think we have to go back and look at one of the clauses in Bill 100.

When this came out, the two most contentious issues of all were the right to strike and clause 9, which says negotiations shall be carried out in respect of any term or condition of employment put forward by either party. In other words, anything is negotiable.

I can remember very clearly the many months that preceded this legislation coming into force and the long and acrimonious debates that went on among teachers, among trustees and between teachers and trustees as to what that clause really meant and the concern on both sides as to what it really meant. Surely in the minds of the teachers as I read it at that time, it meant for the first time, with legislative support, any condition of work or employment was at least negotiable. They may not get what they ask for but at least it was negotiable.

It was also pointed out, and I think that's part of the heart of this case and we must remember it, that it also meant, as far as the board was concerned, any point was negotiable, even an item of a previous agreement or contract. That's the sort of two-edged sword that was, I believe, uncertainly but nevertheless knowingly accepted.

Therefore, at the heart of this question, at the heart of this concern, is the fact that I do not believe the board had any legal right unilaterally to drop out the COLA clause in its existing contract until a new contract was signed. But I do believe that the board legally has the right to attempt to negotiate it out. Whether they should or not is another matter altogether, but certainly they have the legislative right to do so.

There is also in this particular issue a couple of complications that we must keep in mind and that no doubt are having an effect upon this. The first one is the position of the present provincial government in deciding to reduce its average funding for the secondary school panels of this province from an average of 62 per cent to 54 per cent. This has meant for almost every single secondary school board in this province or the panel of every secondary board a very severe financial restriction. It has meant they must go back and seriously cut their programmes or cut their staffing or go to their local ratepayers and ask for substantial increases in taxes. This is having an effect upon this particular negotiation settlement. There can be no doubt about that and we must recognize it.

The second point we have to keep in mind as far as the complication is concerned, and we gleaned this from talking to both members of the board of trustees and the teachers in that group, is an underlying feeling of ill will, if you will, between this board and its teachers because of the continuity of these kinds of negotiation breakdowns, the series of strikes and lockouts. It is

an element that must be recognized as an overbearing and overlying complication in this particular situation.

Finally we come to the whole issue of the jeopardy of the students, and there are a couple of factors we must remember. First of all, we are talking about a 28-day loss of instructional time and, as it was pointed out earlier in this debate, that 28 days comes with only about six weeks of the school year left. It is a very critical time. The kinds of flexibility that some of the previous disagreements had in them simply aren't present here and must be recognized. Surely that is a matter of jeopardy.

The second point we have to keep in mind is, as has been pointed out, the senior students in this situation are facing the cumulative effect of three strikes in a short period of four years. That brings us to the ERC report of Jan. 27.

[9:30]

To say the least, this is a rather unusual document—I could almost say an incredible document. We have in past legislative debates in this issue questioned the effectiveness of the ERC, and I think this document, produced on April 27, gives some justification to that questioning.

They decided here that the students' educational progress was not in jeopardy; that's the decision they made. Let's go along and see some of the other things they said. They said: "The commission might arguably adopt the view that the time lost in 1976 has a cumulative effect upon at least those senior students." They recognize that. They go on and say: "It also demonstrates that the number of students reached by this programme"—that's the additional programme offered by the teachers—"is far less than the total enrolment, even of the senior grades to which it has been directed."

They go on to say: "Parents present at our hearing made representations concerning the inadequacies of both the quality and the quantity of the alternative programming." They go on to say that they would feel easier about this if the classes are extended to all grades, if they manage to attract attendance, if they manage to extend it to the whole curriculum. A whole series of ifs, buts, maybes. They go on: "We might be less concerned if the Ministry of Education might accept the credit. This is not to deny that a loss in the quality of education is involved here."

What this document is saying is that they're not concerned about the educational jeopardy

of these students, and yet they put in one qualification after another with their ifs and buts and maybes. They go on then to say, and to so recommend, that if the board were to permit the teachers to return to work, while so doing the teachers could maintain a symbolic or token sanction or strike. And yet that was the very issue on which the board locked out the teachers in the first place. Whether we agree with their decision or not, that was clearly the reason they did it—the continuing token sanctions and strikes. And on page 5 they even, in their own definition of a sanction, point out that it entails some risk and some actual harm to the students.

As I pointed out, I seriously have to question the effectiveness of a commission that would produce this kind of a document upon which they're making the decision as to whether or not the students' educational progress is in jeopardy. I don't think there can be any question of it. And on the basis of that, I think that we have no choice but to support this legislation.

Mr. Deans: I don't want to go into the details of the dispute because obviously the member for Windsor-Sandwich (Mr. Boun-sall) and the member for Windsor-Riverside (Mr. Burr), together with members of the Liberal Party, have already expressed some of the problems that developed over the course of the last few months and the reasons why the dispute reached an impasse. I could choose sides I suppose, but I don't think that would really help. The thing that worries me is, in my opinion, more important than whether or not this dispute needs this legislation.

It's become all too common and, therefore all too easy, for the members of this Legislature to deal with disputes in education by legislative means. It's gone from being a matter of some considerable importance, a matter that required the attendance and the involvement of a great number of members in the determination of whether or not the legislative proposal of the minister was correct, to a point where it's almost commonplace, where we ask ourselves on Fridays: "What's happened this week? We haven't yet had the minister bring in a bill sending somebody back to work."

I think that those in the government are playing a game. I think the game is that at some point in time the government is going to make a determination that the Act, Bill 100, is not providing for the resolution of

disputes as it intended that it would, and that it is going to take some additional steps to try to correct that as per the government's view of how to correct it.

I don't know how to put it to the minister, but he can't have autonomy on the one hand, and this government solving every single dispute which becomes a major problem on the other. He has to choose between the two. He has to make a choice at some point. Either autonomy is a worthwhile thing and the local boards that are elected by the local rate-payers are going to have the responsibility to resolve the matters that are within their jurisdiction, or were going to opt for an entirely different system in the Province of Ontario.

We may decide at some point that we are going to have to have province-wide bargaining. We may decide at some point that we are going to have to deal here at Queen's Park with all of these disputes. Before the minister tells me that 90 per cent, or 95 per cent, or 98 per cent of all of the disputes in the province are settled at the bargaining table within the provisions of Bill 100, let me tell him this: Where there are parties of good will, who set about to resolve the matters in dispute, they can and they almost always do resolve them. But when you find boards, as in this case, or when you find teachers and their representatives, who are not about to solve their problem, then we can't make it evident to them by our past actions that we in the Legislature will solve it for them.

I said this in the last bill and I say it again to the minister, that the members of the boards of education are elected, as we are elected. They go to the self-same people in the Province of Ontario and they ask for their support in order that they should be given the right to govern over the education of that municipality, to make decisions, to chart the course, to set the financial requirements. When they ask for that right they don't go door-to-door and say they would like to solve the easy problems. They don't go door-to-door and say, "As long as things go well we would like to serve as trustees." They go out and they say, "We would like to represent you on the board of education."

By God, since they have asked for that responsibility, as far as I am concerned they should be made to live up to the obligations that go hand-in-hand with it. I think the sooner we in this Legislature tell them, right across the province, that they either do their job properly or the job will be taken away

from them, the sooner they will buckle down and come to grips with some of the more difficult matters that confront them.

I don't think it only applies to the Windsor board. I think it applies to the Windsor board perhaps in some instance in this case, but it doesn't only apply to the Windsor board. It applies to a number who have operated in the gentlemen's club atmosphere, who never did see themselves as politicians and never understood that they were, for the first time in their lives, actually engaged in politics. They hated the confrontation. They didn't like to be accountable to the public. Many of them still don't like to be accountable; many of them don't understand the negotiation process and many of them don't care to understand it. Therefore, they approach it blindly and without an understanding and a consideration for the effect of their decisions, not only on the teachers but on the parents, the people who pay the taxes.

I think it has become all too easy for boards too, and for teachers, to sit back and think: Let's not worry about it, because if we don't find the solution and there happens to be a strike it will be okay because the Legislature, even if it isn't in session, will be called back to make the system work again.

That is wrong. I don't think that is our job. I think we have given them an Act to work within. We in the Legislature passed all kinds of legislation which applies to boards and to teachers. We provide funding, albeit not adequate at this point in time, from the general coffers of the Province of Ontario for the purposes of providing an education for children. We should say to these people, "If you want to take on the responsibility of administering that within your own municipality, you can run for office and be elected and do so."

When things get tough around here and we are faced with a civil service which decides for one reason or another that it would have a work stoppage; or when we are faced with other very difficult decisions in the Legislature, we don't go out and ask the school boards to solve them. We solve them ourselves, because that is why we were put here. That is why they are put there and I think that they are copping out. They have responsibilities and they have to live up to those responsibilities.

The only way they can live up to those responsibilities is if we make it clear that this Legislature isn't about to bail them out every time they come across difficult times. I say it is true of the Windsor board, it is

true of the Wentworth board and it is true of any board; that if you want the job and you go out and you ask for it, then you do it.

I think it is time this Legislature said to them that if they can't solve their problems there, then answer to their own electorate. If there is something wrong in the relationship between employer and employees, then they must answer for that and take their chances. I don't think that is our responsibility.

I say to the minister that it is about time he made that clear to them so that the sooner they understand it, the stronger the local autonomy in the Province of Ontario will be. Every single time the minister brings in a bill doing what he is doing today, and no doubt what he will be doing two weeks from now in another part of the province, he is undermining the entire strength of local autonomy and doing the exact opposite to the things he professes to believe in. They either do their job or they get out and make way for people who want to do it.

Mr. B. Newman: The previous speaker certainly took an awfully simplistic view of the problem. He said let the boards solve their own problems. That is what we want to do, but what does one do when we have an impasse? The board would like to solve its own problem with the teachers. The board suggests one thing, but the teachers suggest another. They are at an impasse.

Mr. Deans: That's not true.

Mr. B. Newman: Neither will budge. When neither budges what do you do; let them sit there?

Mr. Haggerty: That's what he suggested.

Mr. Deans: They opened the schools last week.

Mr. B. Newman: We can't do that. We have got to think of the consumer in this instance, that is the student who is being deprived, because of differences between two bodies, of his rightful opportunity for an education.

One of the things that is wrong with Bill 100 is that it is too one-sided. It penalizes the students in the case of a dispute because they don't get their education; it penalizes the teachers because they lose pay when they are not working; but it rewards the boards. The longer the board can hold out, regardless of which side is at fault, the board benefits by it. Here we have a bill which deprives students of an education; punishes teachers by loss of income; and provides additional

income to the board to meet financial obligations.

[9:45]

If it were so simple to come along and get the two sides together, for heaven's sake doesn't the member think they would have been together and would have resolved the differences? There are extremely capable people on the board's side—but there is no one negotiating on behalf of the students who are being deprived their right to a proper education.

Mind you, Mr. Speaker, in the Windsor situation, it was a little different because the students did receive alternative types of education as a result of the teachers showing their good faith and being willing to teach under adverse conditions. They taught in almost every type of physical establishment one could think of in an attempt to prove to the community and to the students that they were concerned.

One thing I would like cleared up for me by the minister is, he mentioned that on April 28 the cabinet decided on a three-point programme to end the lockout, to end the strike and have the dual mediators. Did both parties, the board and the teachers, accept the recommendation without any reservation? Did neither party accept it?

Hon. Mr. Wells: The teachers accepted; the board rejected.

Mr. Nixon: On the basis they didn't like the arbitrator.

Mr. B. Newman: The teachers accepted without reservation, did they?

Hon. Mr. Wells: Without reservation.

Mr. B. Newman: All right, that's all I wanted to know. My understanding was there were reservations on both sides.

Hon. Mr. Wells: There were, but they were—

Mr. B. Newman: Let's straighten this out. Were there reservations on both sides?

Hon. Mr. Wells: To answer my friend, to straighten him out, Mr. Speaker. In response to the initial letters, there were some reservations or concerns or matters that were not quite clear on both sides. These were straightened out, a full explanation was given and they were then asked again if they would accept the proposal. The teachers accepted verbatim the proposal set out in my letter. The board rejected the proposal be-

cause it said it couldn't live with Dean Ron Ianni as a mediator.

Mr. B. Newman: All right. The minister has cleared up a problem I had because I had understood there were reservations on both sides about the minister's suggestions.

On March 30, the Premier (Mr. Davis) made some extremely interesting and pertinent comments. They have been brought to the attention of this House by most of the other speakers and I would like to put them in the record, too, because it shows the lack of concern on the part of the government about attempting to resolve the issue at an earlier stage. For example, the Premier said, "But with the history of the situation in the city of Windsor, I do not believe a prolonged strike could be tolerated and instead this thing should be brought to an end quite speedily." He ends the next paragraph: "Because the academic careers of those students at this stage of the year cannot be prejudiced." That's April 30 and action is only being taken today.

Hon. Mr. Wells: March 30.

Mr. B. Newman: March 30, did I say April? I'm in error; it was March 30 and action is only being taken today. On that same date, I asked the Premier if he would send the Minister of Education into the community in an attempt to, "resolve the issue today so that any legislation may not be necessary tomorrow." I thought that was the least that could have been done.

Maybe I will correct myself and say that the minister was not in the city on that date; but if he was, I think if he had gone into the community and met with both sides at that early stage, the issue might have not continued until today. I think he might even have been persuasive enough then to resolve the problem.

Just as the other speakers have mentioned, an arbitrated settlement under compulsory arbitration is not the best type of settlement. It would be better if the two sides in the dispute could resolve their differences. But, as I mentioned earlier, when they are at an impasse, when neither side intends to budge from its firm stand and both sides can justify the stands they take, then we simply can't allow the students to be left hanging there and not receive what the schools are originally constructed for; that is, their education.

The report of the Education Relations Commission disturbs me because, as a former teacher, I know that even one day away from school can have a harmful effect on

students, especially if the follow-up teaching for a week or some period of time is based directly on what is being taught on a given day.

If it happens to be miscellaneous type of work, then the absence of one day doesn't mean a thing; maybe even the absence of a week isn't important. But when the Windsor situation goes on for an extended period of time, and the ERC comes along and says that the successful completion of courses of study is not in jeopardy, I would like to know how a girl in a typing class, who comes from an economically deprived family, gets the opportunity to keep up her skills in typing.

I would like to know how the student who has difficulty with his schoolwork, who is not as bright as some of the members here but is more of a dullard like me, can miss so much school and not be educationally deprived.

I wonder how a student in a machine-shop course, who needs the use of a machine in the school, and the guidance of an instructor, is not adversely affected by not being given the opportunity to use the school equipment and to have the guidance of an instructor.

What about a grade 12 student who intends to go to a community college or to a university—one of our universities if they will accept him, or an American university, where they will accept grade 12 students? Is he not educationally disadvantaged as a result of an extended disruption in his school-learning programme?

How about the grade 13 student who is going to compete against students from all over the Province of Ontario for scholarships and awards? The minister may say the grade 13 student is capable of taking care of himself. Some may be, but a lot are not; they need the help and the guidance of the teacher. I just can't understand how the Education Relations Commission could come along and say that the completion of a course of study is not in jeopardy. Sure, the teachers had their own alternative form of education, or provided alternative education; but it wasn't compulsory, attendance wasn't compulsory.

My daughter went to the classes, thoroughly enjoyed them, was taught as well if not better than she was in her regular classroom activity in her regular school. She wouldn't miss it because she found it was to her advantage to be there, but not everyone could get to some of these facilities

because they weren't in the locations to which transportation was readily available. So we can see there are others who have been and may continue to be deprived of their education.

The grade 9, 10 or 11 student may not suffer to the same extent, because when he passes to the grade higher next year he can catch up what he lost during the past year. He will have to work harder in the ensuing year. But remember, the student who is in grade 11 may have had his education interrupted for a third time for a total of well over 60 days, I think almost 70 days. One can't tell me that he hasn't missed something. They must have missed something; unless those students happen to be geniuses, but if they are average the way the rest of us are—I shouldn't say the rest of us, average the way I am—they would be missing something.

One could come along and lay blame on the teachers, one could lay blame on the board, one could lay blame on anyone he wishes. That never solves the problem. It doesn't solve it. I don't really care who is to blame; I care that the students are being deprived of something, and that we should see that they are back in the classroom as quickly as we could possibly put them there.

I'm pleased the legislation takes away the professional development days, so at least there can be some catch-up there. I would also hope that the minister would provide summer school at government expense so that those in grades 12 and 13 who may have, or have, missed something as a result of this, will be able to at least have the opportunity to pick up some of the education they have missed.

I hope this legislation receives the approval of all members of the House, because it is extremely important that the 12,000 or so students in the city of Windsor are able to continue their education; and maybe have it a bit accelerated, so at least they will not lose as much as they would have normally lost as a result of the differences between the school board and the teachers.

I'm pleased to know that the legislation will force the board to open the schools and that the teachers will lift their strike and be back in the classrooms. I don't foresee any of the teachers in my community resisting this legislation and refusing to teach. Teachers are law-abiding individuals; they respect the laws and will carry out the laws to their maximum.

[10:00]

Mr. Germa: Mr. Speaker, I am reluctant to rise and speak to this legislation to put the Windsor school teachers back to work.

It has become very repetitive in this House to do this kind of an Act and what I am concerned about is the ease with which this legislation is receiving assent as we do time and time again. I recall the first time when legislation such as this was passed, there was great to-do. There was much interest. The public was interested. The members of the Legislature were interested. Everyone was concerned as to the outcome.

Here we are about five times later down the road, the House is practically bare and in fact there are only four government members in the chamber at this present time to listen to the debate of this very important piece of legislation, which is in fact depriving people in Ontario of their legitimate right to strike, a right which they have laboured long and hard to receive, a right which this government recognized unwillingly when it brought in legislation allowing school teachers to negotiate and to press their demands with the ultimate weapon, that is to strike. Here we are on this evening with hardly anyone in the province interested in what is happening to people who work for wages who are being deprived of their rights.

After listening to the last speaker, it's quite easy to see that he is really not in touch with the real world, with society as it really is—

Mr. Riddell: How much teaching experience have you had?

Mr. Germa: —with the conflict that goes on in this world in order for—

Mr. Cassidy: Every politician is a teacher. You know that.

Mr. Germa: —certain people in the work force to demand from society that which they think they are entitled to. School teachers in my mind are workers in the ordinary sense in that they labour for their wages. While they do not necessarily wear a blue collar, they are in fact victims in the work place just like any other worker in the Province of Ontario.

Most workers in this province have the right to enforce their demands upon society. This group of workers, particularly the ones in the Windsor area, have been pressing their demands for these many years. In fact, this is the third time they have had to press to the ultimate degree in order to enforce their demands.

There are only two principles in the bill that I am concerned with. The first one is that these people are being forced back to work. I abhor slavery and this, in my mind, is what the bill dictates, that these people shall go to work or they shall be criminals. You cannot say we have a free and democratic society and we recognize free collective bargaining when you consistently bring in legislation which abrogates this very basic principle in Ontario.

I am unalterably opposed to forcing workers into the work place. No longer are workers free when the government lays the heavy hand on them and says, "You must work or otherwise you are a criminal." Once you have put them back to work, then you force a settlement upon them, a settlement that they might possibly not agree with, but they will have to succumb to because the government is an immense force. Only the foolhardy will stand against the government for any length of time, because we know from history that the government will have its way.

I don't want to get into the nitty-gritty and all of the confusion surrounding the negotiations—what the mediator said, what the Education Relations Commission said, what the arbitrator said, what the school board said, what the negotiating team said on March 28 or what the Premier said. I am only concerned with the basic principles of free collective bargaining and the right of a person to withhold his labour if he is not satisfied with the conditions in the work place.

That is precisely why I felt compelled to stand here and tell the minister—for the fifth time, I believe—that I am unalterably opposed to the legislation he has been bringing into this House relative to forcing school teachers back to the work place. And I am unalterably opposed to a compulsory settlement.

Mr. Haggerty: That is what your amendment says, compulsory.

Mr. Bounsall: It contains compulsory bargaining, with the schools open.

Mr. Speaker: Order, please.

Mr. Germa: There are different degrees of objection in this House. I would like to read into the record my stand on those two issues, which is enunciated in "Legislative Proposals, 1976, to the Government of Ontario," submitted by the Ontario Federation of Labour. On page 19 they say:

All who labour, whether in office, classroom, factory, mine or field, regardless of

skill or position, should have the right to join the union of their choice, and this right should not be circumscribed in any way.

The minister has circumscribed their right.

Secondly:

Compulsory arbitration in any form, should have no place in collective bargaining.

Until those two rights are upheld, we do not have a free and democratic society.

Mr. Nixon: I feel very strongly that the Windsor board must carry a great deal of the responsibility for the fact that we are debating this particular bill here tonight. I find this particularly galling when it was the Windsor board in the first instance that made a settlement—was it three years ago?—which more or less has become the pattern for a good deal of the controversy involving teachers and boards all across this province. There have been a number of strike situations, and situations heavily overlaid with acrimony, where the teachers have said, I suppose with a great deal of validity, "Simply give us the Windsor settlement as applied to our own community."

Yet this same board, which agreed to an extremely generous settlement, along with a cost-of-living programme, after negotiation and a strike, I suppose, has not seen fit in what I consider to be a serious lack of wisdom, to withdraw that cost-of-living arrangement. Whatever we think about a cost-of-living situation, and how dangerous it may be to the economy at large and all the rest of it, still it has become quite a reasonable arrangement between teachers and their employing board. I find it particularly galling that the school board in Windsor, perhaps because of circumstances beyond anybody's control but at least associated with negotiations in Windsor, gave the kind of settlement that led to so much of the strife across this province involving the teachers, and is now compounding it by this ridiculous position whereby it would withdraw COLA. They are absolutely intransigent in that regard. I simply cannot fathom why they would do that. From my particular point of view, I particularly resent the circumstances that have put us into this position tonight where, as the hon. member has pointed out, we are facing the same kind of legislation for the fifth time.

Another thing that bothers me is their intransigence in refusing to accept the mediation of Dean Ianni. The minister, in his opening remarks, made some comments about

things said in his company and things alluded to but not said in his company and so on. I don't know anything about those things. I don't know the dean and I don't know the circumstances, but it seems to be the minister might very well have bowed to the board's strong feeling in that regard.

As is probably proper, the minister has defended Mr. Ianni's objectivity and ability. But in this instance, if the board has such strong feelings, perhaps the minister might have done something to move in a direction whereby both sides might have accepted his three propositions put forward a few days ago. I must say I feel that position went as far as the minister could possibly have gone except perhaps for moving a bit further as far as mediation and the personnel involved in mediation are concerned.

I feel the minister perhaps failed us to some extent in that regard. I am a little more hesitant to talk about that, not knowing the circumstances, but since the board has been so strong against Dean Ianni, surely the minister can hardly set himself up as the only judge in that regard and might very well have given in in that area.

Another part of this circumstance I find irritating is once again the role of the Education Relations Commission. I've been as critical in the past as anyone has been of that commission and I feel constrained to be even more critical now. Both the government and the official opposition have defended the commission repeatedly, but I feel its report in this connection is irrational and fatuous. For it to suggest that these ad hoc classes held in church basements are somehow going to mitigate or moderate—

Mr. Foulds: You should read the report instead of the news reports.

Mr. Nixon: —moderate the impact on the students is just hogwash.

Mr. Foulds: Read the report.

Mr. Nixon: Hogwash.

Mr. Speaker: Order, please.

Mr. Nixon: For one thing, I feel quite strongly that when the strike does end, which presumably will be next Monday—and it will be, if my vote has anything to do with it—even though these classes have been held and the teachers are to be commended for organizing them and using their time for it—there's no doubt about that—and when the classes resume, they've got to go back to the lowest

common denominator and teach all of the kids in that class. The ones who went out of their way to go to the church basement and go through all of that stuff to improve their circumstance are simply going to hear the same stuff run through the machine again. It's unfortunate but that's simply a fact. Part of the Education Relations Commission report was an acknowledgement that only a relatively small percentage of students availed themselves of that particular opportunity.

I really believe the commission, as constituted by Bill 100, has an impossible task. I believe it was set up more or less as a safety valve for the ministry, or the minister in a political sense, so that he could wait for it, as we have observed in the past, to give him the signal to go forward with legislation he might not feel would otherwise be palatable. Even that has now been set aside since these bills have become, as somebody pointed out, our regular Thursday night and Friday morning activity.

I don't particularly blame the commission because I feel, frankly, the real failure in all of this is Bill 100. I feel very badly about that because I had high hopes and great expectations for the efficacy of the concepts and machinery in Bill 100. I felt the minister drew his cabinet colleagues and caucus supporters reluctantly into acceptance of the bill, I felt members on all sides had a certain feeling of pride in the concepts of Bill 100. That's why I am particularly disappointed when it is now seen to be almost a complete and abject failure.

Believe me, I am not talking about failure of the right to strike. Unlike the member for Sudbury—and I couldn't disagree more with him, or the member for Wentworth—I believe in the last analysis when we come to any sort of a labour situation where third parties are needlessly suffering and it is not possible to achieve a settlement, then this Legislature must act and we should certainly realize that's our responsibility. If we're not prepared to realize that is our responsibility, then I submit to you, Mr. Speaker, we should not be here.

[10:15]

Bill 100 is a failure. There are those who say maybe there are some sparks of life left in it, that the teachers are undoubtedly getting sick of these strikes—certainly the students and the school boards are—and the whole community is getting sick of the strike weapon

in teacher negotiations. There are those who say the OSSTF is running out of money, that it is having a tough time and we're going to have a year of more moderate labour relations in the schools, that we're going to have a year when other alternative sanctions are going to be attempted. Maybe that is so. But I am very much concerned about the future of the concept of Bill 100. I feel that our experience has been a disastrous one during this year—a disastrous one.

It may very well be, and I would be very sorry if this happened, that we are going to be facing province-wide negotiations, maybe of the type recommended by the economic council of the province, although I certainly don't like their recommendations. It is interesting that they made those recommendations to the minister and there has been very little response from anybody on the thing.

Certainly I intend to vote for this bill, with the sense that it is our responsibility, as members of the Legislature, to see that the strike is brought to an end. There is no reason not to accept the minister's description as factual, that there is no other possibility for a settlement, that the schools are locked and it's up to us, with our authority, to see that they are opened and education goes forward.

I don't know why everybody is looking at the clock, because I think we'll be back here tomorrow morning if a vote is necessary. Certainly I intend to say what I have to say on it and I'm sure you, Mr. Speaker, will assure me of that right.

I think that the real failure is with Bill 100, which is one that was supported on all sides. We're going to have to get our thinking caps on and use our best efforts so that we can do something better than that bill, which has, in my view, been a tragic failure since its enactment.

Mr. Foulds: I rise with no little sense of anger and frustration. I feel not only some disappointment and regret, but I feel angry that this bill is here before us tonight.

I feel angry because of the complacency with which this Legislature treats this piece of legislation and with the absence of members. I feel some anger and frustration because that complacency has arisen automatically knowing that the Liberal party will support any position that the Conservative government brings forward because of the dramatic and catastrophic flip-flop of the leader some time ago. Anything, anything the Tories bring forward, they will vote for.

Mr. Shore: Like putting kids back to school.

Mr. Foulds: I want to make it very clear, as I have in other debates, that we are for opening the schools and our reasoned amendment does that. I am opposed to—

Interjections.

Mr. Speaker: Order, please. The hon. member for Port Arthur has the floor.

Mr. Nixon: You want it both ways. That is why you are voting for the bill.

Mr. Shore: You and Martel are both Masters and Johnson. One is Masters and one is Johnson and it is hard to tell the difference.

Mr. Speaker: Order, please.

Mr. Foulds: I absolutely reject compulsory arbitration.

Interjection.

Mr. Foulds: I absolutely reject the last speaker's contention that Bill 100 has been a failure. I absolutely reject it, because to admit, as he has, that, after six breakdowns in negotiations collective bargaining in the educational sector has failed, is to badly misjudge what's happening out there in the province. I put to you, Mr. Speaker, that we need not bringing in this kind of legislation and we need not have done it in the past.

To shorten my remarks, I was going to quote the actual sections that I mentioned on March 11, I think it was, when we were doing the Kirkland Lake dispute, that we would, once we set on the path last January of introducing these individual pieces of legislation that breach the general legislation, we would need to run out the string of the outstanding disputes.

We are here today because of the government's original folly in bowing to media pressure and introducing the Metro Toronto teachers' bill and their precipitous action.

Mr. Nixon: They would be out on strike still.

Mr. Foulds: Would they indeed?

Mr. Nixon: Sure they would.

Mr. Speaker: Order, please. Would the hon. member direct his comments to the principle of this bill?

Mr. Foulds: That is a most fallacious piece of reasoning if I've heard one.

I submit to you, Mr. Speaker, that in the disputes that we have faced it is not collec-

tive bargaining that has failed. It is not collective bargaining that is not working. It is personalities. It is negotiators. It is individuals.

Mr. Sweeney: That's what collective bargaining still amounts to.

Mr. Foulds: The Windsor board, across this province and by the previous speaker, has been the target for tonight. The Windsor board has been criticized by editorial writers and by other boards because it supposedly gave an overly generous settlement, last year I believe it was. So, in reaction to that, in reaction to pure pressure, they have retreated dramatically, so that they have become the most niggardly board in the province to try to balance two extremes in one case. That is unfortunate, but that doesn't mean that collective bargaining in that process is a failure.

There have been some shots taken at the Education Relations Commission tonight. I wish those people who were taking the shots had actually read that report, because it is, in fact, the first detailed, factual report of that commission. I'm going to take some time to read into the record a fair amount of that report, because it hangs together in a way that their previous reports have not.

As the minister said, they were unable to find that the continuation of the dispute would place in jeopardy the successful completion of courses by the students affected.

Mr. Nixon: Talk to us. You only have three members here; three NDP members. You'd think with this important legislation there would be more NDP members here.

Mr. Speaker: Order, please. The hon. member for Port Arthur has the floor.

Mr. Nixon: Mr. Speaker, I was drawing to the attention of the House that there was a scarcity of members in other quarters.

Mr. Shore: Point out that there are 10 Liberal and three NDP members.

Mr. Swart: Ten of you, and two NDP are about on a par.

Mr. Reid: They cannot stand it either.

Mr. Speaker: The hon. member may continue.

Mr. Foulds: What the Education Relations Commission did in this report was give weight to the alternate schooling that was available, and they said quite clearly and I quote: "This is not to assert that the alter-

nate instruction for some is, in the long run, an acceptable substitute for normal instruction for all." They made a comment about the ministry report on the quality of those courses.

Mr. Kerrio: Better hurry up. There are only two now, Jim.

Mr. Shore: Time is running out.

Mr. Foulds: That's okay. I can run out the clock.

Mr. Speaker: The hon. member has a good, big audience. He may continue.

Mr. Foulds: Thank you. The ministry's task force found that, by and large, the courses were of an acceptable quality and the only caveat it had was that the highly technical subjects were not available in the alternate facility. In the hearing that the Education Relations Commission actually had, the commission said:

"The board initially pressed us to find that the parties had reached a bargaining impasse which presumably could only be broken by legislation triggered by our finding in this proceeding. Subsequently, the board retreated from that position.

In other words, the board admitted to the Education Relations Commission that an impasse had not been reached. It went on to point out, as the minister did, that it lay within the power of both parties to reopen the classrooms.

I want to emphasize one of the findings of the commission. They indicated that they had to find a balance between two conflicting parts of the original Act, the School Boards and Teachers Collective Negotiations Act, and they say:

To strike a balance between these policies is our task. If we acquiesce in the conflict too long we will have failed in our duty to the students, but, if we prematurely precipitate legislative intervention we will undermine the bargaining process. Further, it is essential to the long-run health of the bargaining process that neither side will be able to escape adverse consequences, so that each will have an incentive to seek settlement. Equally, it is essential that each side accept responsibility for settlement or for the consequences of this agreement, including prejudice to the students.

That, I maintain, is a thoughtful, well put together decision, and I commend the mem-

bers to read the whole report, not just to rely on excerpts.

The minister's response, which I have necessarily had to include, was a proper response. He was on the right track. In fact, the three points that he outlined in his letter very easily could have been adapted straight from our reasoned amendment. If those three points—the board lifting its lock-out, the teachers ending the strike, and continuing negotiations—aren't in the spirit of our reasoned amendment or patterned on our reasoned amendment, what is? It certainly was. For once, why not be innovative? For once, why not give that thrust legislative sanction? Why not use the power of the Legislature to bring in the kind of thrust we have in our reasoned amendment and as the minister outlined in his letter to the board and to the teacher negotiators?

Mr. Reid: The awards are over, Jim.

Mr. Foulds: Why not give it time to work? If they know they are bound into negotiations until they have a contract that's under negotiation; if they know they are going to get into that negotiating room, the door is going to be locked and the key thrown away, they know that they will get to an agreement.

Mr. Speaker: Will the hon. member have further remarks to make or would he care to move the adjournment of the debate?

Mr. Foulds: I think that I would be finished at approximately 10:30 p.m., Mr. Speaker.

Mr. Reid: If they were all put in a room and had to listen to his collected speeches, they would come out with an agreement.

Mr. Foulds: Do you want to adjourn the House? All right.

Mr. Reid: Don't deprive us of the pleasure, Mr. Speaker.

Mr. Speaker: Order, please.

Mr. Breithaupt: Mr. Speaker, will there be other members who wish to contribute so that we can have some knowledge as to what may happen tomorrow, or is it presumed that the present member speaking will be the last speaker in the debate?

Mr. Speaker: Does any other member wish to speak to the bill before the minister summarizes?

Hon. Mr. Welch: If the hon. member wants to finish his remarks, we could adjourn tonight on the understanding that the minister would be the last speaker and we could have our vote tomorrow. Would the hon. member like to take two minutes to finish?

Mr. Foulds moved the adjournment of the debate.

Motion agreed to.

Mr. Bounsall: Mr. Speaker, I am sure the House is interested in joining with me in welcoming a guest in the Speaker's gallery tonight, Mr. Walter Smishek, the Minister of Finance of the Province of Saskatchewan.

Hon. B. Stephenson: Mr. Speaker, we have other guests in the House tonight, Mr. Hohol, the Minister of Labour for the Province of Alberta, and representatives of the Northwest Territories. These are eminent members of Legislatures from the territories and the provinces attending the manpower ministers' conference in Toronto.

Hon. Mr. Welch: Anybody here from Nova Scotia so we can even it up?

Mr. Speaker, tomorrow we will continue with this debate and if there is time after that, we could go back to the budget debate.

Hon. Mr. Welch moved the adjournment of the House.

The House adjourned at 10:30 p.m.

CONTENTS

Thursday, May 6, 1976

Windsor Board of Education and Teachers Dispute Act, Mr. Wells, on second reading	2043
Motion to adjourn, Mr. Welch, agreed to	2066

SPEAKERS IN THIS ISSUE

Bounsall, E. J. (Windsor-Sandwich NDP)
 Breithaupt, J. R. (Kitchener L)
 Burr, F. A. (Windsor-Riverside NDP)
 Cassidy, M. (Ottawa Centre NDP)
 Deans, I. (Wentworth NDP)
 Ferris, J. P. (London South L)
 Foulds, J. F. (Port Arthur NDP)
 Germa, M. C. (Sudbury NDP)
 Haggerty, R. (Erie L)
 Kerrio, V. (Niagara Falls L)
 Newman, B. (Windsor-Walkerville L)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Reid, T. P. (Rainy River L)
 Renwick, J. A. (Riverdale NDP)
 Riddell, J. (Huron-Middlesex L)
 Shore, M. (London North L)
 Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
 Swart, M. (Welland-Thorold NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Warner, D. (Scarborough-Ellesmere NDP)
 Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)
 Wells, Hon. T. L.; Minister of Education (Scarborough North PC)



Ontario. Legislative Assembly

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Friday, May 7, 1976

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159

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LEGISLATURE OF ONTARIO

FRIDAY, MAY 7, 1976

The House met at 10 a.m.

Prayers.

POINT OF PRIVILEGE

Mrs. Campbell: Mr. Speaker, I rise on a point of privilege if I may. My point refers to the guidelines relating to constituency offices. I have in my hand a newsletter which was prepared in the usual course here and would be mailed out of here in the usual course. The letterhead, however, reads, "Dr. Bette Stephenson, PC, Progressive Conservative York Mills Riding Office, 4800 Leslie St., Suite 301," and so forth.

I would like to know at this time, Mr. Speaker, if this is a constituency office in the sense of those offices which we have established, does this not breach the guidelines for that office because it designates it as a Progressive Conservative York Mills Riding Office, although perhaps it is not posted to that effect? I would ask you, Mr. Speaker, to investigate this sort of use if I may.

Mr. Speaker: I'm not aware of where the hon. member to whom you refer, the hon. minister, has a riding office. I will check into the matter.

Hon. Mr. Davis: Mr. Speaker, if the members would agree to revert to statements, I have just a brief statement to—

Mr. Lewis: We haven't come to that yet.

Mr. Speaker: We have not really passed that point yet.

POINT OF PRIVILEGE

Mr. Lewis: I would also like to rise on a point of personal privilege, Mr. Speaker. I am doing it because I find the responses from the acting Minister of Health (B. Stephenson) on so many occasions in the Legislature to be somewhat amorphous that I would like to deal with apparent discrepancies when they arise.

Yesterday I asked the acting Minister of Health as follows, and it is in Hansard:

And one last short question, if I may, for the acting Minister of Health.

Did you suggest in a reply a week or two ago that the information I have sought about the asbestos levels at Hedman Mines Ltd., that what in fact had happened—that you had gone out and done further tests and that you are now awaiting the results of that testing?

Hon. B. Stephenson: No, Mr. Speaker, what I had stated was that we had not the complete report at that point because we did not have the engineer's report. I may say to the hon. Leader of the Opposition that the complete report has been sent to you.

Mr. Speaker, the complete report, so-called, arrived in my office this morning. It is a report of tests done on April 9 at the Hedman Mine. My letter which prompted this series of exchanges was dated March 4, and it is quite clear that subsequent tests were done, in response to which I received this letter, and the reply given to me by the minister yesterday, with the greatest of respect, was entirely misleading.

I would also like to know, Mr. Speaker, what recourse I might have when I am told that a whole report has been sent to me and the information that I asked for covering three years has been confined to one report with one date?

I put it as a point of privilege because I don't understand how it is possible to deal in a way quite so misleading and indirect as I have been dealt with on this subject matter.

Mr. Martel: Mr. Speaker, if I might speak to the same point. Again, last week, dealing with the same minister I asked about the appointment of a council and was advised that in fact it was appointed through the regional municipal council; that was not true.

Yesterday I asked the leader of the New Democratic Party to ask for the removal of the present man who is responsible for that inquiry. The House was advised that there were two members from the original hospital council; in fact, Mr. Claire Dupont, one of the two, resigned on April 26.

Again, we were given misinformation, and I simply don't know how to cope with it

either, Mr. Speaker. I would ask your guidance on these matters.

Mr. Lewis: You know, it is a bit much to handle Health and Labour together, but nonetheless.

Interjections.

Mr. Speaker: I think all the members of the House will recognize the difficulties of handling two portfolios, and I have no control over that. The hon. minister is not in the House to answer your comments; I am sure she will become aware of them, and you can pursue the matter in the question period. I am not sure if the estimates are on shortly or not; I am not sure where we are in that. I am sure the hon. member will find the opportunity to correct those answers.

Statements by the ministry.

FIRST MINISTERS' CONFERENCE

Hon. Mr. Davis: Mr. Speaker, I just thought I would report briefly on the discussions yesterday.

There were three matters discussed at the first ministers' meeting in Ottawa yesterday. The greatest amount of time was spent on the discussion of the pricing of crude oil and natural gas, but in addition we dealt with the proposal of the federal government for the amending of the revenue guarantee formula, and the proposal of the Prime Minister for patriating the Constitution.

I shall deal first with the discussions relating to the amending of the revenue guarantee formula and the patriation of the Constitution.

A month ago the federal Finance Minister proposed unilateral changes to the revenue guarantee formula. I am pleased to report that at the meeting yesterday the provincial Premiers were unanimous in their opposition to these proposed changes. The Premiers were in total agreement that it would not be proper for the federal government to retroactively reduce the entitlement of the provinces for the fiscal year 1974-1975, and 1975-1976. In Ontario's case, for example, the proposed changes would result in a loss of revenue of approximately \$200 million.

The Prime Minister agreed that no decision would be taken on this matter, at least until the next meeting of the first ministers, scheduled to take place on June 14 of this year. At that time, we will discuss the overall question of federal-provincial fiscal relationships, with particular reference to the future of the shared-cost programmes.

In company with most of my fellow Premiers, I yesterday took the position that it will be nothing short of ludicrous for a decision to be taken either at this time, or later in the month through the agency of the federal budget, with respect to the revenue guarantee. The revenue guarantee is central to the federal-provincial financial structure and it is surely obvious that the future of the revenue guarantee must be part of the federal-provincial financial package to be discussed in June. This view prevailed.

At the meeting, the Prime Minister elaborated his views on the early patriation of the British North America Act. This matter is to be discussed further on May 12 at an inter-provincial meeting of ministers, to be followed by a fuller discussion at the meeting of the provincial Premiers to be held in Alberta in August. It is likely that a federal-provincial meeting on the Constitution will be held in the fall.

I took the position that the Ontario government is in agreement with the basic objective of patriating the Constitution, preferably with an amending formula. In common with most of the provincial Premiers, I expressed firm opposition to the threat of the federal government that it might proceed unilaterally. I think most Canadians would wish to see our Constitution domiciled in Canada, but certainly it is not an ideal that should be pursued at a high risk of a divisive confrontation between Ottawa and one or more of the provinces.

In the matter of energy pricing, I was not and am not in sympathy with the arbitrary escalation of the price of crude oil and natural gas. At the meeting, I reiterated Ontario's very serious concerns as to the national economic effects of price increases not related to production costs and not designed primarily as a means of increasing the incentive to expand energy production.

I stressed the importance of not undermining the anti-inflation programme, a programme to which all Canadian governments are committed. I pointed out there is an inherent inequity in restraining the income of individuals through the application of the anti-inflation guidelines and at the same time, greatly increasing household expenses through escalating the price of energy without regard to the spirit and intent of the anti-inflation guidelines.

I again outlined to my colleagues the potential damage that a large price increase could do to export-oriented industry in Canada; and the futility, from the perspective of the consumer, of increasing their costs if the additional revenue continued to flow primarily

into the treasuries of the federal government and the producing provinces, rather than being devoted to the development of needed energy resources.

I pointed out that it was anomalous to widen the financial disparity between the provinces and regions of Canada prior to a federal-provincial financial meeting that was designed to accomplish the opposite purpose. I reiterated the Ontario proposal for a blended price and that this formula had been designed to meet these concerns.

Ontario's sincere statement of concern had a favourable impact on the course of the discussions. Certainly many of the points that I raised in the discussion found support among the majority of the provincial Premiers and with the Prime Minister.

I believe the initiative of my government in this matter over the last few years has resulted in all governments and the Canadian public becoming much more aware of the implications to the economic and financial structure and the health of the nation inherent in our current method of pricing crude oil and natural gas.

I think there is a growing recognition that any future crude oil and natural gas price increases must increasingly be related to the development of new energy sources and not simply continue to be a tax on consumers.

Again, I think there is now an amount of agreement that did not exist a year ago, that one of the prime considerations in energy prices must be the maintenance of the competitive position of the Canadian economy and, in particular, the competitive strength of our energy-intensive, export-oriented industries.

There was not, of course, agreement as to price. The demands of the producing provinces were, in my view, excessive and this view gained the support of most of the Premiers; and indeed to a degree, I believe, that of the Prime Minister. It is probable that as a consequence of the Ontario initiative there will be a more thoughtful approach to the ultimate decision as to any increase in the price of crude oil and its relationship to the price of natural gas.

As hon. members are aware, in the absence of agreement by the first ministers, the federal government will determine the actual change in price. The record of the government of Canada in this regard is not encouraging although, as I noted, I believe the insistence of myself and other Premiers that the spirit and intent of the anti-inflation guidelines should not be breached had a favourable impact.

[10:15]

Irrespective of the actual price which the federal government announces, probably this month, I think that Ontario has sown seeds for a more constructive long-term approach to energy policy in Canada. We will continue to pursue a rational energy policy and will continue to take part in energy pricing discussions.

We will continue to insist that such meetings and discussions should be open and, unlike the meeting yesterday, should be held under the eyes of the public. And we shall continue to press for the development of a pricing mechanism that fairly, equitably and automatically determines the price in response to relevant changes in costs.

On the other hand, we will continue to press the point of view that meetings, such as that held yesterday, are confrontation-prone and therefore are not useful. It is surely apparent that crude oil and natural gas pricing is a matter upon which a consensus is not possible.

It must be a matter of concern to all Canadians that a compromise could not be achieved after so much discussion and so many meetings. It is in this context that I made reference to my concerns as to the implications of energy pricing to the fabric of Confederation. The ability to achieve a reasonable compromise on matters in which provincial and federal perspectives are different, and on which views diverge, is fundamental to inter-governmental and inter-regional relationships within Canada.

I believe that Ontario's proposals for new pricing mechanisms were rational, reasonable and workable. Within those proposals there was room for compromise—a fact we always made clear—and there was scope for the merging of the aspirations of Canadians from all provinces and all regions. It is not necessary and it is not desirable that out of these meetings there should emerge winners and losers. An appropriate degree of compromise could result in benefit for all; and that is what Confederation is surely all about.

The procedure now is that the Prime Minister and the federal government will consider the various views that were expressed. The Prime Minister will be holding telephone conversations with all first ministers and will then arbitrarily dictate a price change.

It is not, in my view, an appropriate mechanism for the setting of crude oil and natural gas prices. This year, however, it is the mechanism that again will be used.

Ontario will continue to advocate a new mechanism for the determination of oil and gas prices; we will continue our initiatives in

the matter of energy policy; and we will continue our persistent discussions with other provinces and the federal government. We believe that some progress has been made, and we shall continue to seek to build on that progress.

Mr. Lewis: By the time you have a solution we'll be at the world price.

Mr. Speaker: The Minister of Energy.

SYNCRUDE PROJECT

Hon. Mr. Timbrell: Mr. Speaker, about 15 months ago, at a meeting in Winnipeg, Manitoba, the government of Ontario joined with the governments of Canada and Alberta and the three remaining private corporations to salvage the Syncrude project. It was agreed at that time that new participation arrangements would be worked out and new agreements drawn up to provide for the introduction of the government parties into the project.

As members may know, last Friday the Syncrude project agreements were signed by all parties in Edmonton. I am tabling today copies of the agreements for the information of members. As noted at the time of the Winnipeg meeting, Ontario's interest is held by the Ontario Energy Corp.

It will be no surprise to members that the negotiations and the drafting of legal documents have been extremely complex and have involved many difficult issues along the way. In such a large joint venture, with many different interests at stake, it was expected that the completion of all negotiations would be protracted. But I believe that the agreements tabled today provide a sound basis for the continuation of this important national project.

I might add that these arrangements include the assurance that international prices will be available to the production from the project. This is an example of a policy of allowing higher prices for new sources of oil that I have been urging on other governments over the past weeks and months in coming to terms with crude oil prices in Canada.

I would like to comment briefly, if I may, on the role of Ontario in the project. I believe that future generations of Canadians will say that this action on the part of all six participants was one of the bold and farsighted co-operative actions of our time. Certainly, there have been difficulties and disagreements in getting this far, and there will be more before the plant is operating. But the docu-

ments which I have tabled today reflect the final resolution of the principles agreed to in Winnipeg and subsequent issues which emerged during the negotiations.

I have no doubt that the Ontario government made the right decision to participate in the saving of the Syncrude project for the immediate and the long-term energy and industrial benefits of this country. All participants can justifiably believe that this unique joint venture is a good thing for Canada. This is the essential perspective of the Ontario government. It is the perspective which I am sure that the people of Canada have and should have.

Ontario was extremely well represented during the long 15 months of negotiations and legal documentation since Winnipeg. It was made clear to us that our contribution to the negotiations was well in excess of what might be expected from a five per cent interest in the project. But we believe that our contribution was to the benefit of all participants. Not only was Ontario's original commitment essential to keeping the project alive; its role to date has contributed to a sound basis on which the enormous task of bringing this tar sands plant into production at the earliest possible date can proceed.

We believe that the Syncrude project is vital to the continued development of the enormous potential of the oil sands, and through the Ontario Energy Corp., this government is committed to its success.

MOTOR VEHICLE INJURY STATISTICS

Hon. Mr. Snow: Mr. Speaker, some five months ago this House unanimously approved of legislation which led to the mandatory use of seatbelts and lower speed limits on all Ontario highways. Since that time, my ministry has carefully analysed province-wide collision reports which confirm the effectiveness of this decision.

Before I report the figures to the House, I would like to express my appreciation to the members of the media, both print and electronic, who have steadfastly backed the seatbelt legislation. For that, I say thank you.

Today, I have good news. As of March 31, or at the end of the first quarter of 1976, there has been a dramatic decrease of 33.6 per cent in the number of drivers and passengers killed since Jan. 1 of this year, compared with the initial three months of 1975. Happily, I can also tell the House that the number of drivers and passengers injured has declined 18.7 per cent during that corres-

ponding time, despite the fact that there has been a four per cent increase in accidents.

In all, during the first three months of this year, 14,510 were injured, while 17,847 were injured during January, February and March of 1975. These figures mean that there has been over 1,000 fewer injuries per month up to the end of March, 1976.

In actual figures, 170 drivers and passengers have been killed during the first three months of 1976, while 256 died in the same time span one year ago. In short, 86 lives have been saved. That's almost one for each of the 90 days in those three months.

Mr. Peterson: You've got the member for Ottawa East (Mr. Roy) to thank.

Hon. Mr. Snow: I am aware that there have been some who have been concerned about the real value of seatbelts; they will argue that the reduction of speed limits has been primarily responsible for the encouraging results that we have enjoyed. I cannot accept that for the simple reason that my ministry personnel, monitoring the flow of traffic, have learned that while there has been an appreciable drop of some nine miles per hour on the freeways, the same motorists have to some degree ignored the speed limit reduction in other areas. Thus, I am convinced that seatbelts are working and that they are reducing injuries and fatalities.

It is too soon, I realize, to project the quarterly figures and suggest that the legislation will save X-100 lives for the entire year, because we are entering the summer months during which Ontario residents and visitors will be travelling on our highways in large numbers and large numbers of vehicles do increase the risk of accidents. But I can, and do suggest that buckling up for safety will more than offset the small inconvenience of remembering to use one's seatbelt when one climbs into a motor vehicle.

Mr. Speaker: Oral questions.

Mr. Lewis: I'm glad to say I have no petition to table on seatbelts.

OIL PRICES

Mr. Lewis: I have a question first, if I may, to the Premier. When the federal government arbitrarily sets the new price of crude at whatever increase, can we assume, or might we ask of the government of Ontario that a freeze be imposed on the existing price levels; not so much simply to recapture inventory, although that would be a part of it, but speaking to the position put by the Minister of Energy (Mr. Timbrell) in the debate earlier

this week, that there is absolutely no knowledge of the cost related to the increase and, therefore, that no such increase should be permitted to be passed on to the consumers of Ontario?

Hon. Mr. Davis: I think quite obviously there will be consideration as it relates to the question of inventory and I would assume that will be dealt with when the decision on price is made. I would not want to give to the House any undertaking at this moment until I see what the price is, just what allocation is being made and what position the federal government may be taking with respect to inventory. I think it would be premature to answer that at this moment.

Mr. Lewis: By way of supplementary, if the Premier will not, as we would wish, guarantee a freeze until all of the information is in, can he at least in advance guarantee some special perceptions for northern Ontario, where the price at the pumps in many communities will then rise significantly above \$1 a gallon? Surely that is intolerable in the province.

Hon. Mr. Davis: I recognize the difficulties in northern Ontario and I am informed by the Minister of Energy that Mr. Isbister's report in which he is dealing with this issue in specific terms, or which we hope will have specific recommendations, will be in by the end of this month.

Mr. Nixon: Supplementary: Did the Premier notice that the Premier of Alberta suggested that one of the solutions that Ontario might have was to reduce our fuel tax, gasoline tax? Is there any consideration being given to that and did the Premier discuss it with his colleague from Alberta?

Mr. Bullbrook: That is the confrontation-prone aspect.

Hon. Mr. Davis: I think I made it very clear to the Premier of Alberta that, while we appreciated his offers of assistance, it would be far more relevant if they were to have less by way of royalty rather than suggest we reduce our taxes for a transportation system where the gasoline tax does not now cover the cost of what we are investing.

Mr. Nixon: That is where the real confrontation is.

Mr. Foulds: Supplementary to the second last answer of the Premier: Can he give us any preview of the Isbister report, in view of the possible recommendation that northern Ontario and southern Ontario have equal oil

and gas prices? Is there any possibility of a recommendation of that nature?

Hon. Mr. Davis: I have had no preview of the report myself. I can't give the hon. member any information because I haven't seen it. I gather it is not ready but will be by the end of the month.

Mr. Speaker: The member for London Centre with a final supplementary on this.

Mr. Peterson: May I ask the Premier did he put to the Prime Minister that the federal government should reduce the excise tax in proportion to the \$5 difference between domestic crude prices and world crude prices? In other words, could some of that 10 cents come off to relieve pressure at the pump level? Did the Premier place that argument?

Hon. Mr. Davis: We pressed that argument very vigorously a year ago saying the whole 10 cents was unnecessary. If the Prime Minister were here, he would explain to the hon. member for London Centre that until such time, I think, as the price goes up about \$2 a barrel or more, the differential to provide the income they need to compensate for the equalization of those areas east of a mythical line in the Ottawa Valley would not allow them to reduce the excise tax. I always dislike quoting people after meetings, but my impression was that the Prime Minister recognized that they did not intend to stay in the field. At such time as the price per barrel reached the level that they would no longer require that 10-cent excise tax, I think I am fair in saying that I am under the impression they will get out of it. But it has to reach the point, from their standpoint, where they can balance the books with respect to equalization.

Mr. Peterson: That's \$2 a barrel?

Hon. Mr. Davis: It would be about three cents at that point.

Mr. Good: Supplementary, Mr. Speaker.

Mr. Speaker: I announced that as a final supplementary. We'll likely come back to that on later questions.

OHC PROSECUTIONS

Mr. Lewis: A question of the Attorney General, if I may: Do I take it that the Attorney General shared the disturbing commentary—I think that would be an appropriate way of putting it—given by Clay Powell, the assistant deputy, and Mr. Craig,

about the apparent loophole in the Criminal Code which makes it impossible to prosecute those large companies whose relationships with employees of the Ontario Housing Corp. was allegedly wrong; that it was only possible to prosecute small companies? What does one do in a case like that?

[10:30]

Hon. Mr. McMurtry: Mr. Speaker, I share Mr. Powell's concern, although I have not had an opportunity of discussing it personally with him. I just know what I read in this morning's paper. I intend to discuss it with Mr. Powell with a view to approaching the federal government in order to recommend any amendment which might plug the loophole to which Mr. Powell refers.

I agree with the Leader of the Opposition that it is a most unfortunate loophole if it does, in fact, exist.

I also understand—again from reading the news report this morning—that there is a case pending in the Supreme Court of Canada which may clarify it. In any event, I certainly intend to review the matter with a view to approaching the federal government for the necessary amending legislation.

Mr. Lewis: Supplementary, if I may: Since in the case of the doctors and their relationships to the private labs we now have legislation before us in the House dealing within our jurisdiction with the question of kickbacks and offering penalties, would it not be similarly possible to introduce legislation to cover these transactions with Ontario Housing Corp. employees of a similar or parallel kind until the Criminal Code is revised, given the possibility that it may never be revised?

Hon. Mr. McMurtry: No, that may not be possible. I know the Leader of the Opposition fully appreciates the matter of criminal law is solely within the jurisdiction of the federal government, and any provincial legislation that encroached on that field would undoubtedly be ruled unconstitutional. So there is a difficulty in that respect.

Mr. MacDonald: Give your guidelines some teeth.

Mr. Breithaupt: Supplementary: When the Attorney General reviews this matter does he intend also to consider the sentence that has been given, a suspended sentence, with respect to this offence; and also the matter of considering any appeal, so that he will be in a position to review this matter fully and that the court will have the opportunity, through an appeal, to consider whether, in

fact, the result here in section 110(b) has been properly interpreted because of the lack of a specific business arrangement?

Hon. Mr. McMurtry: I'm not sure that I know what suspended sentence the hon. member is referring to. It may well be that time for any appeal has long since expired, but I will again be reviewing the matter fully with Mr. Powell. If it is still possible to consider sentences, if we are still within the right time frame, and that will be part of our discussion.

Mr. Cassidy: Since it was not possible, in the Attorney General's opinion, to act against these 50 or 60 companies a year or more ago, what restrictions, if any, were placed on OHC continuing to do business with those companies, or was it business as usual?

Hon. Mr. McMurtry: Mr. Speaker, as you know, this was a matter on which the decision was made in relation to prosecutions over a year ago. I must admit I know very little about the circumstances, and I think any questions directed to any relationships between OHC and any of the companies should be directed to the appropriate minister.

Mr. Cassidy: Supplementary: Did the Attorney General make any recommendations to the Minister of Housing (Mr. Rhodes) that they should stop doing business with those companies that have apparently been offering bribes?

Hon. Mr. McMurtry: I would certainly hope that any government department or agency would be reluctant to deal with any company which, as the member says, is in the business of offering bribes.

Mr. MacDonald: Do you want to bet as to whether they dropped them?

Hon. Mr. McMurtry: I have no information because I don't know the circumstances of the various gifts that have been referred to in the press.

HOSPITAL CLOSINGS

Mr. Lewis: May I ask a question of the Premier? Would it be possible for the Premier to review all the existing disputes and controversies that continue in the various hospitals around the province, apart from the closings but on the cutbacks themselves—given the apparent consternation of at least Mr. Justice Keith, and perhaps others sitting with him in hearing the case for the hospital

closings now presented before them, and the clear indication on the part of the judge that what the cabinet did was unusual to say the least?

Hon. Mr. Davis: Mr. Speaker, I don't know how that would relate to the decision with respect to budgets for a number of other hospitals, because we're talking budgets. There's nothing unusual. This part of it has gone on, on other occasions, I guess going back two or three years. I haven't read the report, nor have I nor will I be discussing it with Mr. Justice Keith.

As to his observation—if that is what the Leader of the Opposition is reading—that the procedures of cabinet were unusual, first I don't know how he would know, and second, I don't know that they're unusual. They have not occurred on many occasions; that I make quite clear. The order in council to close four or five hospitals, I don't think has happened too often; but I really don't know how anybody would be in a position to comment that the procedure was unusual. It was routine within the context of the cabinet function.

I do suggest to the Leader of the Opposition that the procedure, or the internal operation of the ministry in dealing with the individual boards in terms of their budget is not new. This has been going on for two or three years, even in terms of the reduction of the number of active treatment beds. I really don't know how he related one with the other.

Mr. Lewis: I'm groping—and may I, by way of supplementary, tell the House why? Does the Premier not see that, for the first time, what is normally appropriated to a cabinet to do has been executed in such a fashion that even the judges, although they may not overrule the government, are asking questions of legal counsel such as: "Are you saying that the Doctors Hospital can just be disposed of without a hearing, because of the powers and secrecy of the executive council? What use is it to have a dialogue with someone who can't make a decision? Do you say that a hospital is not entitled to be heard if there is a report that the Act has been violated?" They are raising questions for the first time about the propriety of cabinet decisions which are normally inviolate. Will the Premier not then reconsider his attitude toward the whole hospital community?

Hon. Mr. Davis: Mr. Speaker, I'd say with respect, the attitude of this government to the total hospital community—and I go back some years—has been extremely positive and extremely constructive. I would say with respect, not having been in the courts for many

years now, that the judge apparently—and I'm just going by the newspaper report—was asking certain questions. He was making certain comments—and I don't say that critically—and the case is still being heard. I think, with respect, that he probably was asking these questions to seek out information.

I don't see in that, at this moment, any indication that the judge is being critical. I think in that he has never been in cabinet and probably has not heard a case comparable to this—although I'm only guessing at that, because I don't think there have been any others—is perhaps endeavouring in the discharge of his very onerous responsibilities to find out just how these things happen. I think we should await any judgement by the court before we make any assumptions.

SCHOOL BUS TRANSPORTATION

Mr. Lewis: One last question, being a Friday morning, for the Minister of Transportation and Communications: Can he explain why he has such insufferable cheekiness in dealing with those school boards who request from him certain extra support for school bus transportation?

Hon. Mr. Snow: Is the member asking me that?

Mr. Lewis: I'm asking the minister, yes.

Hon. Mr. Snow: I don't really know what the hon. member is concerned about. I have nothing to do with support for school bus transportation.

Mr. MacDonald: You'd better be careful, you're walking into the Friday morning trap.

Mr. Lewis: I have before me a report in which, in response to a request for the reduction of the number of kids who occupy seats in a school bus, the minister said, and I quote: "The Ministry of Education pays grants on the basis of 13-in. rump space for students to and including grade 6, and 16-in. rump space for students over grade 6." Would the minister possibly explain to the House what he and the Minister of Education (Mr. Wells) have contrived together to reach this definition of "rumps" and "space"?

Hon. Mr. Rhodes: That's cheeky!

Hon. Mr. Snow: In that correspondence, I think I was only outlining a policy of the Minister of Education in establishing the size of a rump. Now, we all realize rumps are of different sizes.

Mr. MacDonald: Is yours a 16 or 13?

Mr. Reid: He has a bigger one than that.

Interjections.

Mr. Speaker: May I just break into the question period for a moment to recognize the Minister of Agriculture and Food?

Hon. W. Newman: Mr. Speaker, we have in your gallery today very distinguished visitors from Italy, the Rt. Hon. Emilio Del Gobbo, who is the Minister of Agriculture for Italy, and his group. We welcome him and his group here, and we extend our sympathies to them, because they come from the area of Italy that was devastated by an earthquake yesterday, as you know. We would like to welcome them to Ontario; they are visiting our province but unfortunately they have to go back. I am sure all hon. members will join with me in welcoming them to the House this morning.

Mr. Breithaupt: Mr. Speaker, I thought that last question perhaps had something to do with the responsibilities of the ministers without portfolio; perhaps we will see what happens when those estimates come before the House.

LCBO OUTLET IN NEW LISKEARD

Mr. Breithaupt: First of all, a question of the Minister of Consumer and Commercial Relations with respect to the apparent awarding of the right to build an LCBO outlet in New Liskeard: Can the minister advise whether he is aware as to the background of the reported comment made by Mr. Jack Pulkinghorn, who was quoted as saying, when he was asked whether the contract for the building was because of his Conservative Party connections, "I don't think so. It certainly didn't do any harm. I was told who I should see and who I should approach."

Will the minister investigate that situation to ensure there are no particular matters of patronage in the granting of these contracts?

Hon. Mr. Handleman: Mr. Speaker, certainly I will investigate it. From what the hon. member has said it doesn't appear that there was, but I will certainly look into it and find out whether there was.

Mr. Nixon: As long as you approach the government through the right person at the right time.

Hon. Mr. Handleman: He didn't come to me.

Mr. Breithaupt: Perhaps I could ask a supplementary, since apparently an officer or an employee of the board was reported to have not made public the rent rates for an outlet such as this. "However," he was reported as saying, "we will give the information if a question is asked in the House." Perhaps the minister can now take that question as having been asked in order to advise us as to the amount of rent that is being paid and the terms of the contract for that location?

Hon. Mr. Handleman: Without any question, we will obtain that information and provide it to the hon. member.

SILVER ISLET DEVELOPMENT

Mr. Breithaupt: A question of the Minister of Natural Resources: Is the minister aware of the proposed development at Silver Islet at Thunder Cape with respect to the re-operation of a large silver mine to be attended to by QC Explorations Ltd.? Is he aware of the attitude of the Silver Islet Campers Association and its opposition to this project, and can he report to the House as to what is being done to resolve this apparent conflict between the two groups?

Hon. Mr. Bernier: Yes, I am very much aware of that particular situation and I will be glad to get a full report for the hon. member.

SHORTAGE OF SKILLED TRADESMEN

Mr. Breithaupt: A question of the Minister of Colleges and Universities: Is he aware of the apparently critical shortage of skilled tradesmen in the precision metal machining industry? Since many of the tradesmen have been immigrants, and in view of the current lack of immigration in this area, will he ensure that the apprenticeship programmes are encouraged, and indeed perhaps even responsibility for some of their costs attended to, so that we will not have a shortage of the skilled tradesmen who are needed in this particular industry?

[10:45]

Hon. Mr. Parrott: I am aware of two aspects of that particular problem. One is the difficulty of relating job opportunities and the place of residence. In other words, there are many opportunities in one part of the province, with tradespeople in another part of the province, and the problem is in correlating those two aspects.

On the second portion of the question, if the member is asking whether we are con-

cerned about the whole area of apprenticeship training, I don't think there could have been a better reply than the speech that I made in this House April 20 on the Industrial Training Council. I think I have said publicly many times that that is an arm of education we want to strengthen and are making every possible effort to do so. I think if the member would be kind enough to send to me specific information on a specific trade, I will not only refer it to the Industrial Training Council but also to our manpower training branch.

HUNTSVILLE DEVELOPMENT PLAN

Mr. Breithaupt: I have just one final question of the Minister of the Environment with respect to the approval of a development plan for an area in Huntsville. Since apparently an appeal has been made appealing the ruling of the Environmental Appeal Board in the case of lots 5, 6, and 7 of plan M-23 in Huntsville owned by Mr. Leslie Adams, can the minister advise why and upon whose advice this appeal has been taken?

Hon. Mr. Kerr: That particular appeal involves about 10 lots in the Huntsville area. The owner of those lots installed septic systems in three of them before obtaining a certificate of approval from the ministry. The ministry is not satisfied that the system that was installed there is proper and sufficient.

Mr. Adams was warned about that and told that a certificate of approval was necessary. However, I am advised he went ahead anyway and installed the systems which aren't adequate. Because he didn't receive a certificate, he appealed to the Environmental Appeal Board. The appeal upheld Mr. Adams. However, the ministry went ahead because of its concern about the future lots in that area and is questioning the decision of the appeal board, which the ministry has the right to do with ultimate appeal to myself.

However, I am hopeful the matter will be resolved and that certain requirements can be made regarding the remaining lots. But I think we will make some reasonable settlement regarding the three lots I have talked about where the systems are installed.

Mr. Breithaupt: Just as a supplementary: Since we are informed that apparently it took from Dec. 9, 1974, to May 21, 1975, to obtain a hearing before the appeal board, is this a normal waiting period of some five and a half months for the system to move to that next step? Is the Environmental Appeal Board so burdened with applications that there is this kind of a delay which is normally taking place?

Hon. Mr. Kerr: I believe the appeal board was occupied regarding sanitary landfill sites just east of Toronto at that point and that's really the reason for the delay. That's an abnormal delay.

CONTAMINATION OF FISH

Mr. Deans: I have a question for the Minister of the Environment. Has the minister ordered that any further testing be undertaken on the fish in the waters in the area immediately around Hamilton harbour since the report of Mr. Holdrinet of the Ministry of Agriculture and Food which showed a PCB level 10 times higher in fish caught in the harbour than in any other area that had been tested in the Province of Ontario?

Hon. Mr. Kerr: We have some results of tests that were taken late last year for Lake Ontario, for Toronto harbour as well as Hamilton harbour. For certain species of fish, particularly eels, for example, and coho salmon in the lake the readings are high.

Mr. Deans: I am always delighted to get information. That wasn't really what I was asking. I wonder if the minister could tell me whether the ministry has conducted tests in the area immediately outside the mouth of the harbour, in those areas where all the smelt fishing is done and where there is a great deal of sport fishing—wherever it does take place, it takes place in the area immediately adjacent to the harbour—to determine whether or not the fish that are there also carry within them PCB rating levels similar to, if not the same as, the levels of those within the harbour? Doesn't the minister feel that if that is the case—as it inevitably must be, because it's an open waterway—there ought to be some additional warning given to people in the area who may at this point in time be preparing to catch and eat those fish?

Hon. Mr. Kerr: Mr. Speaker, as the hon. member knows, fish move around; they swim. I'm not exactly sure of the exact spot in the lake or in the harbour where the testing is being done, or where the fish that are being tested are caught. I know some of the testing has been done by CCIW, which is located right on the canal, and I would assume there are fish from that vicinity that are being tested.

My information doesn't indicate the exact location; it indicates either Hamilton harbour, the lake, the south end of the lake, Toronto harbour and this type of thing. But, for ex-

ample, in smelt the readings are high, and as the hon. member says, if they're fishing in the canal, in that vicinity, they should take care in eating any quantity of smelt.

Mr. Deans: One final supplementary: Will the minister today make known to the people who are likely to be smelt fishing that the smelt in the area could quite conceivably have PCB ratings considerably higher than would be acceptable, given the tests that were conducted and the findings that were presented?

Hon. Mr. Kerr: Yes, Mr. Speaker. There has been substantial publicity about this and there's no reason why we can't issue a warning.

Mr. B. Newman: Would the minister consider posting weekly PCB ratings concerning fish throughout the Province of Ontario, rather than in just one municipality? I understand the fish in the Lake Huron area have an extremely high PCB content.

Hon. Mr. Kerr: Mr. Speaker, I'm not sure just how long it takes to catch and analyse the fish and obtain an analysis or a reading, but certainly during this season, as often as possible, that information can be made known to the public.

SALE OF GOVERNMENT VEHICLES

Mr. Ruston: Mr. Speaker, I have a question for the Minister of Transportation and Communications with regard to the selling of the cars that the ministry looks after, which includes, of course, the cabinet cars and so forth. What mileage limit is put on cars now before they are put up for auction? Is the minister not considering, with the restraints on, that he may increase that limit considerably, since the automobiles of today generally run many miles more than a number of years ago?

Mr. Peterson: And is the Premier's car bullet-proof?

Hon. Mr. Snow: Mr. Speaker, I don't believe my ministry is responsible for setting the mileage limits of the cars. The cars, trucks and other vehicles are used for different purposes. I think, for instance, the OPP may have one policy as to mileage and the Ministry of Natural Resources may have another.

Mr. Nixon: How about the Minister without Portfolio?

Mr. Breithaupt: It has heavy-duty springs.

Hon. Mr. Snow: My ministry does hold these auction sales—regularly in Downsview, and periodically throughout the province—for the sale of surplus vehicles and equipment. I understand we get very excellent prices for these vehicles when they are disposed of. The only mileage limit that I'm concerned about is, I believe it is the policy for ministers' cars to run in the neighbourhood of 75,000 miles.

Mr. B. Newman: For one year?

UNITED ASBESTOS PLANT

Hon. Mr. Kerr: Mr. Speaker, the Leader of the Opposition (Mr. Lewis) asked me a question on April 1 regarding monitoring of drinking water supplied in Lloyd's Lake in the vicinity of Matachewan. Our April monitoring results indicated the water supply being provided to the employees of the company from Lloyd's Lake had become contaminated by asbestos dust and the company was ordered to provide an alternative drinking water source.

The firm is presently providing water brought in from the town of Matachewan. We have asked the firm to expedite the installation of an improved water treatment facility utilizing another source of water supply. Until these matters are resolved, it would appear advisable to continue to have potable water brought in to the employees of the plant from the town.

Mr. Speaker: Before we go on with the question period I wonder, since the television cameras are no longer in operation, if whoever controls the lights might gradually reduce the intensity?

Mr. Haggerty: Throw them out altogether.

REPORT ON DAY CARE

Ms. Bryden: Mr. Speaker, I have a question for the Minister of Community and Social Services. Does the minister agree with the conclusions of the final report of the advisory council on day care—which I understand has been on his desk since January although it was only tabled in May—that in times of restraint, and I quote, "The demand for daycare services increases as families try to ensure their own economic survival," and further, "It is short-sighted to believe that the short-term savings that result from restrictions will outweigh the long-term cost"?

Hon. Mr. Taylor: No, I don't subscribe to the generalities of that statement.

Mr. Samis: That's a new record for you.

Ms. Bryden: The committee also states that it has not assessed the need for day care in the province as it planned to report on this and on the cost and financing of day care in a further report before it considered its mandate fulfilled. Is the minister prepared to recall the committee to complete that job so that its work to date will not be wasted and the ministry will not operate in the dark?

Hon. Mr. Taylor: Mr. Speaker, in reply, the ministry is not operating in the dark.

Mr. Nixon: The minister is.

Hon. Mr. Taylor: In particular, I don't propose to re-establish that advisory council. As a matter of fact, the support staff of that council are members of my staff.

Mr. Nixon: They will advise you.

Mr. Speaker: The member for Kitchener-Wilmot.

Mr. Martel: Supplementary.

Mr. Sweeney: Supplementary, Mr. Speaker.

Mr. Speaker: Order, please. Does the hon. member for St. George have a supplementary as well?

Mrs. Campbell: Yes, Mr. Speaker.

Mr. Speaker: Let me see. I guess the member for Kitchener-Wilmot was on his feet first because I thought there was a new question. That's why I recognize him.

Mr. Sweeney: Is the minister aware that because of the decision to cut back on day-care support, another policy of the ministry—that is, to have single-parent mothers out working, if possible—has been curtailed in the Waterloo region? It is my understanding that a saving in the neighbourhood of \$120,000 could be achieved if the welfare director had sufficient daycare facilities to look after the children of these single-parent mothers who want to go out to work. There seems to be a contradiction there.

Mr. Speaker: Order, please. That seemed to be quite far-fetched from the original question as I recall it. Does the hon. minister have a short answer for this?

Hon. Mr. Taylor: Mr. Speaker, my ministry has not cut back day care. As a matter of fact the budget or the actual expenditure for my ministry's share of the operating cost

only for day care in the past year has doubled from \$14 million to \$28 million. I don't consider that a cut-back in day care.

Mr. Speaker: All right, we will allow a supplementary here on this.

Mr. Nixon: That's why you fellows are—

Mr. Martel: A supplementary, Mr. Speaker, speaking to this matter of restraint. Doesn't the minister think we are carrying it a little far when in the regional offices we have been reduced to scratch pads of this size in his ministry?

Mr. Speaker: I am not sure how supplementary that is.

Hon. Mr. Taylor: Mr. Speaker, anything that would reduce the size of the reports I think would be welcome in my ministry.

Mr. Breithaupt: They only have a very small staff.

Mr. Speaker: A final supplementary then; the member for St. George.

Mr. Cassidy: You don't like reports is that right?

Mr. Breithaupt: You should see the small filing cabinets they fit in.

Mrs. Campbell: Mr. Speaker, in view of the answer given by the minister, could he advise this House as to where the resources material is upon which these various reports have been made? Could that material be placed in the library so we may all have the privilege and opportunity of seeing the whole resource material?

[11:00]

Hon. Mr. Taylor: Mr. Speaker, the resource material is with my ministry and anything that would assist the edification of the hon. member I am sure could be made available to her. As to whether or not the library is a proper repository I'd have to determine that.

Mr. Cassidy: Does that apply to all members?

TOWNSEND SITE

Mr. G. I. Miller: A question of the Minister of Housing. In view of the fact that the new Townsend townsite project is located in the centre of the region of Haldimand-Norfolk; in view of the fact that at the present time the regional offices are working in split accommodation; and in view of the fact that a new townsite will need a hub, is the minis-

try willing to provide land for a new administration site?

Hon. Mr. Rhodes: The hon. member, I think, knows full well that I have already made that commitment to the regional government of that particular region. It was in the press and I commend him on his ability to read.

Mr. G. I. Miller: A supplementary, Mr. Speaker. When will this site be available?

Hon. Mr. Rhodes: As I understand it, the site has already been pretty well established as to where it will be. As soon as the preliminary planning is completed that particular acreage will be made available.

Mr. G. I. Miller: Who is going to finance the new townsite? There is a real concern in the city of Nanticoke about who is going to be responsible for the financing.

Hon. Mr. Rhodes: Mr. Speaker, the hon. member knows full well that there is a continuing discussion going on between the various levels involved in developing that area, the whole region and in particular the townsite. We have said we are going to be discussing the financial obligations with that particular group of people. We haven't made any particular decision at this time.

Mr. Speaker: A final supplementary, the member for Brant-Oxford-Norfolk.

Mr. Nixon: Has the minister made a final commitment to the Townsend site and its development, in spite of the fact that a report commissioned by the government from Woods Gordon indicates that it should not be proceeded with and that there will be almost \$35 million wasted if the government does proceed?

Hon. Mr. Rhodes: Mr. Speaker, that particular report has just recently been received and we are in the process of going through the details of it. We are not going to do it in isolation. We will be doing it in conjunction with the people in the area. We know about the report and we have it.

Mr. Bullbrook: I take it you don't know it full well?

Mr. Nixon: What about this commitment for the new headquarters?

DUTIES OF MINISTERS WITHOUT PORTFOLIO

Mr. Foulds: I have a question for the Minister without Portfolio, the member for Lambton (Mr. Henderson).

I assume that the job description given by the Minister of Government Services (Mrs. Scrivener) in the estimates last night—Mr. Henderson, in addition to his regular cabinet responsibility, undertakes special assignments under the instruction of the Premier (Mr. Davis) and conducts special assignments for members of cabinet—means that he not only agrees with the Premier's and the Treasurer's restraint programme but that he has some special responsibility to enforce it? Therefore, does he think it appropriate that a letter from William Kelly, chairman, PC Ontario fund, should be sent out to public institutions, including high schools, libraries and daycare centres, soliciting funds in which the following quote takes place:

Our government is committed to cost-conscious government through ceilings on growth of social services, a streamlined and efficient health care system, controlled welfare spending. It's asking municipalities and school boards to set spending priorities. Why not become a contributing member of the Progressive Conservative Party of Ontario?

Mr. Samis: Minister of fund raising.

Mr. Foulds: Does the minister think it is appropriate that that be asked of public institutions being funded by public moneys in this time of restraint?

Mr. MacDonald: So you are the bagman.

Hon. Mr. Henderson: Mr. Speaker, first of all, may I say I am very happy to note that the member for Port Arthur would take time to read a letter from Mr. Bill Kelly, a man who we hold in very high respect in this House, a man who upholds a very important position in this province, within our party.

Mr. Nixon: He runs the toll gate.

Hon. Mr. Henderson: The member for Port Arthur requests to know my feelings on his remarks. I support Mr. Bill Kelly fully, all the way.

Mr. Reid: And he supports you.

Mr. Foulds: No, this is very important—

Mr. Speaker: Supplementary.

Mr. Foulds: As a minister of the Crown, is the minister saying that political party fund raisers should solicit funds from institutions funded publicly by the taxpayers of this province, when the Treasurer and the Premier are talking about restraint?

Mr. Haggerty: Blackmail.

Interjections.

Hon. Mr. McKeough: Oh, get off it. You are so pious over there.

Mr. Nixon: You must have something good. You have got the Treasurer awake for the first time in two weeks.

Mr. Speaker: Now, we will hear the hon. Minister without Portfolio.

Hon. Mr. Henderson: Mr. Speaker, as usual the hon. member for Port Arthur has read something into a letter that is not there.

STATUS OF WOMEN PROJECT

Mrs. Campbell: My question is to the Minister of Community and Social Services. Is it a fact that the minister advised the status of women council that he had placed members of his staff in the Manpower offices and that he had a report available on the progress of that project?

Hon. Mr. Taylor: Mr. Speaker, I don't know whether the hon. member for St. George was present at that meeting or not, but my statement referred to the staff from the general welfare administration services, not the family benefits services, so I would correct the member in that regard.

Furthermore, my indication was an informal report in terms of feedback that I had received in terms of success, and I gather it is working out. There isn't as yet any formal report that I have received.

OLYMPIC LOTTERY

Mr. Samis: Mr. Speaker, a question to the MC—and that's not just the master of ceremonies—the Minister of Culture and Recreation: Can he inform the Legislature whether or not he has had discussions with the federal government regarding the continuance of a lottery, upon the cessation of the Olympic lottery, and what position Ontario has taken in that regard?

Hon. Mr. Welch: Mr. Speaker, I have not had discussions with any official of the government of Canada on that subject.

Mr. Samis: May I ask what Ontario's position would be in view of the fact that obviously the federal government and Quebec are at a very serious stage of negotiations for continuing the lottery? Would it be Ontario's premise that all funds raised in Ontario would stay in Ontario, and none would go to finance Drapeau's financial follies?

Hon. Mr. Welch: Mr. Speaker, the hon. member is obviously making some reference to a speculative story that appeared in a Montreal paper, I think yesterday.

Mr. Samis: No, the Toronto Star.

Hon. Mr. Welch: Was it the Toronto Star? I saw it in the Montreal papers. Just checking all sources.

Interjections.

Hon. Mr. Welch: The question as to what's to happen following the completion of the Olympic lottery is a matter which, of course, we have under consideration. Our position with respect to that subject matter would be made clear, perhaps some time next week.

Mr. B. Newman: A supplementary, Mr. Speaker. Is the minister considering the communication directed to him from the city of Windsor suggesting that a lottery be conducted on alternate weeks to provide funds for hospitals and other health needs in the province?

Hon. Mr. Welch: Mr. Speaker, I don't think that is quite supplementary to the question I was asked; but certainly I have been giving some consideration as to what our attitude would be following the completion of the Olympic lottery. All points of view are being taken into account.

Mr. Speaker: The oral question period has expired.

The Minister of Energy.

Hon. Mr. Timbrell: Mr. Speaker, I wonder if, before proceeding into orders of the day, I might draw the attention of the House to the presence in the gallery of a distinguished Ontarian. He is a gentleman who is well known to many of the members of this Legislature—my distinguished predecessor as member for Don Mills, Mr. Stanley J. Randall.

Mr. Speaker: Petitions.

Hon. Mr. McKeough: One of the great socialist bashers of all time.

Mr. Lewis: I wish Stanley Randall was still here.

Mr. Speaker: Order, please.

Mr. Lewis: If he were still here we'd be the government by now.

Mr. Speaker: Let's get back to business, thank you.

Presenting reports.

Hon. Mr. MacBeth presented the annual report of the Ministry of the Solicitor General for the year ended 1975.

(Mr. Lawlor, from the standing administration of justice committee, reported the following resolution:

Resolved: That supply in the following amounts and to defray the expenses of the Ministry of Correctional Services be granted to Her Majesty for the fiscal year ending March 31, 1977:

Ministry of Correctional Services

Ministry administration programme	\$ 6,519,000
Rehabilitation of adult offenders programme	85,610,000
Rehabilitation of juveniles programme	35,659,000

Mr. Speaker: Motions.

Introduction of bills.

CHILD WELFARE AMENDMENT ACT

Mr. Leluk moved first reading of bill intituled, An Act to amend the Child Welfare Act.

Motion agreed to; first reading of the bill.

Mr. Leluk: Mr. Speaker, the purpose of the bill is to provide a liaison between the ministry and the various Children's Aid Societies by having a person appointed by the Lieutenant Governor in Council on the board of directors of each Children's Aid Society.

ENVIRONMENTAL PROTECTION AMENDMENT ACT

Hon. Mr. Kerr moved first reading of bill intituled, An Act to amend the Environmental Protection Act, 1971.

Motion agreed to; first reading of the bill.

Hon. Mr. Kerr: Mr. Speaker, this amendment extends the provisions of the Act to permit the government to introduce specific regulations dealing with the distribution and sale of certain types of beverage containers.

Mr. Speaker: Just before orders of the day, I want to announce to the House—and I presume that you have noticed—that it's autograph collection time again, which indicates the tour of duty of our young pages who have been serving us for the last seven or eight weeks is coming to an end. We'll have a new group in on Monday.

As is customary at this time, I'm going to read their names into the record and see that they get a copy of Hansard at a later date.

We've been served very well by the following young people:

Michael Bank, Etobicoke; Jamie Bird, Toronto; Ingrid Dykstra, Clarksburg; Sarah Hainsworth, Toronto; Annalise King, Scarborough; Chris Liboiron, Mississauga; Robbie McDougall, Beaverton; Shelley Martel, Capreol; Mark Mitchell, Toronto; Paul Molnar, Tillsonburg; Jill Morrison, Thunder Bay; Anne Pettem, Don Mills; Janice Schenk, Gravenhurst; Anita Shrier, Goderich; John Stackhouse, Toronto; Paul Stanborough, Sarnia; Dwayne Standing, Downsview; Warren Stoddart, Newmarket; Daina Vagners, Toronto; Kathleen Westcott, Scarborough.

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, I wish to table the answers to questions 11, 12, 20, 30, 36, 39, 46, 49, 50, 51 and 53 standing on the notice paper. (See appendix page 2096.)

[11:15]

Mr. Speaker: Orders of the day.

Clerk of the House: The ninth order resuming the adjourned debate on the motion for second reading of Bill 75.

WINDSOR BOARD OF EDUCATION AND TEACHERS DISPUTE ACT (concluded)

Mr. Foulds: Mr. Speaker, to summarize briefly, we are proposing a reasoned amendment and we are proposing it because we think it will work.

The minister thought it would work a week or so ago—or at least a procedure similar to it—but what our reasoned amendment is doing is to give legislative authority to a procedure which he tried to effect last week. What it does is give both parties time, more time than the minister gave them, to reach a negotiated settlement. What it does is force both parties by legislation to recognize their responsibilities locally and bargain in good faith until a negotiated settlement is reached.

I know the minister and the other scoffers in this House will say it won't work. We can't say it won't work until it's been tried. I'm reminded of Shaw's dismissal of those who dismissed Christianity—we can't dismiss Christianity because nobody has ever tried it yet. The government can't dismiss our reasoned

amendment because nobody has ever tried it yet.

We reject compulsory arbitration through this legislation. We rejected it when the government brought it in in January and we have rejected it five times since Bill 100 has been brought in.

Mr. Nixon: But you don't reject compulsory arbitration through this legislation.

Mr. Foulds: We are in favour of reopening the schools. Finally, if I might be permitted, over the objections of the member for Brant-Oxford-Norfolk—

Mr. Nixon: Or as Fred puts it, he is passing it because it wasn't introduced earlier.

Mr. Foulds: Mr. Speaker, does the member for Brant-Oxford-Norfolk wish to have a reprise, a second shot at the—

Mr. Nixon: I feel one coming on, with an arrangement by unanimous consent.

Mr. Foulds: Yes we have got to do that on the last clause of the bill.

One of the important things which has been overlooked in this debate is the very last two sentences of the ERC report.

We will reassess the situation continuously with a view to determining whether the balance of consideration has shifted and whether back-to-work legislation has become inevitable. If that day should arrive, the form of the statute and of subsequent procedures may well embody legislative judgements concerning the appropriate balance of policy and the extent to which the parties have discharged their respective responsibilities.

I submit that from a cautious body like the Education Relations Commission that is a plea to us in the Legislature not to bring in the kind of legislation we have done in the past when faced with these situations. Let the legislation be substantially different.

I suspect they are pleading that the form of the statute and the subsequent procedure be different from those we have done in the past. This bill fails to do that. This government legislation doesn't respond to this plea by the Education Relations Commission.

I now submit that the reasoned amendment by the New Democratic Party does respond to that particular plea and does respond to the special situation which has emerged in Windsor.

I'd like to close, if I might, with a quotation from the Rubiayat of Omar Khayyam, because I think it's appropriately descriptive of this legislation and of the previous indivi-

dual bills we have had, abrogating the legislated rights of full and free collective bargaining for teachers. It is appropriate because it describes the minister's drafting of this legislation.

The Moving Finger writes; and having writ,

Moves on: nor all thy Piety nor Wit

Shall lure it back to cancel half a Line,

Nor all thy Tears wash out a Word of it.

All the minister's tears of regret will not remove the damage that has been done to collective bargaining through bills such as this. All the piety he expresses about the good intentions of the government will not remove what they have actually done. It is the actions by which we judge the government. If I could just adopt the first two lines of that quotation, I would say: "The moving finger writes; and, having writ, moves on. Wells brings forth another law and Bill 100 is gone."

Mr. Speaker: Does any other member wish to get involved in second reading of Bill 75? If not, the hon. minister.

Hon. Mr. Wells: I really don't think I have to respond at length. I think we have heard a replay of the kind of arguments that the official—

Mr. Martel: What is the difference?

Hon. Mr. Wells: —opposition has put up to a very sensible, reasonable bill by a reasonable government concerned at this particular time, first and foremost, about 12,500 students in the Windsor area.

I didn't in some pious manner say I was sorry I had to bring in this bill. I just said that I am sorry I have to bring the bill in because, as my friends know, I would like to see these matters settled through negotiations and I think all of us would, but at times they just will not be settled. I guess where they and I differ is that I believe at some times a government must act and that people today, no matter what the opposition says, believe that education is so important that their kids cannot miss an unlimited number of days.

Mr. Burr: That is our point.

Hon. Mr. Wells: All right, that's their point. But my point is that further in order for education to continue in an acceptable manner or, even better a quality manner, a feeling of change in morale, a feeling in the schools must be created. I would submit that compulsory bargaining does nothing to cre-

ate that kind of situation, and that's exactly and precisely why I am opposed to it. We have tried it. We haven't tried it legislatively but we have offered the parties an opportunity to open the schools and to bargain and they haven't accepted that opportunity. They got together and talked for a while and came to no conclusion.

Mr. Warner: One side.

Hon. Mr. Wells: Look what's happening in the Province of Quebec where we have this same kind of situation going on.

Mr. Foulds: There are other reasons for that and the minister knows that.

Hon. Mr. Wells: The teachers have had the right to strike taken away. They are told to go back to school and the government will keep the negotiations going on. It's absolute chaos in the Province of Quebec because those people who have been told by the Legislature and told by the law to go back and negotiate and keep the schools open are not keeping the schools open.

Mr. Warner: Like Robert Bourassa.

Hon. Mr. Wells: There is chaos in the Province of Quebec because of their situation, and I submit they are doing exactly what the NDP reasoned amendment is.

Mr. Martel: They are not doing that. They have had four years to build up for that.

Hon. Mr. Wells: What does the member mean by they are not doing this? Certainly they are doing it. They are doing exactly what his party has suggested. They have said: Take away the right to strike from the teachers and the rights of the boards to lock-outs, open the schools again and we will keep negotiations on.

Mr. Martel: They haven't negotiated.

Hon. Mr. Wells: That's exactly what the government of Quebec said. The official opposition is suggesting the same kind of legislation that Bourassa brought in. Its legislation is exactly the same as that Bourassa has brought in and all it has done is create further chaos in their schools because, as bargaining goes on, even though it's going on, the situation is so bad in those schools, that teachers are defying the law because they become frustrated at what's happening at the bargaining table, their right having been taken away, that then they have to find the only way they can bring pressure is to break the law. That is a situation which I

submit is not one that our teachers in this province should be put into, a situation where they get so frustrated with the board they have to suffer or the board has to be fined or they have to break the law.

Mr. Renwick: Surely the minister recognizes that it is province-wide bargaining in Quebec?

Hon. Mr. Wells: Certainly I recognize it, but that doesn't matter.

Mr. Renwick: That has a lot to do with it.

Mr. Speaker: Order, please. The hon. minister has the floor.

Hon. Mr. Wells: The situation is still the same. There is a situation of rights denied and bargaining mandated and it's not working. I submit it is not going to work here. When the time comes that this Legislature has to take responsible action, it not only has to take action to cause the schools to be opened again but has to present a means for a speedy settlement of the dispute.

I respect that some may have differing opinions, but as far as I am concerned the only way for quality education to begin again in Windsor is for us to get some finality to this situation.

Mr. Martel: Wentworth next week?

Interjection.

Mr. Renwick: There is some merit in the minister's argument.

Hon. Mr. Wells: Let me just talk a little about what's happened. The member for Brant-Oxford-Norfolk (Mr. Nixon) talked about the board and said he regretted, I think, that the board had seen fit to not accept the proposal accepted by the teachers because Dean Ianni was one of the mediators. The member suggested that perhaps I should have made some accommodation there so that the procedure could have gone on. I would like to tell him that we attempted to make that accommodation. I guess that really has to be made public. It was suggested that perhaps they would accept someone else, and they said that they would; they would take two completely new mediators.

Interjection.

Hon. Mr. Wells: They would open the schools and things could go back to normal if we would appoint, or the Education Relations Commission would appoint, two completely new mediators—not Dean Ianni and not Mr. Reginald Haney from Kitchener.

That proposal was unacceptable to the teachers. They were not agreeable to any proposal involving the use of mediators that didn't involve Dean Ianni.

Mr. Nixon: So there was no way out.

Hon. Mr. Wells: So there was no way there, but the teachers then came back with another proposal. It was that the schools open and that the parties get together with no mediator; and that proposal was unacceptable to the board. So one sees a little bit of the frustration and the kind of back-and-forth arrangements that have been going on in this particular situation.

I think there is something else that has to be said—

Mr. Nixon: Will the minister permit a question just before that?

Hon. Mr. Wells: Yes.

Mr. Nixon: Did I understand him correctly when he said in his opening remarks that in his personal judgement he knows of no reason that would support the attitude taken by the board vis-à-vis Dean Ianni? Is that what he said earlier?

Hon. Mr. Wells: Yes. The board suggested that he would not be acceptable to them because he was pro-teacher and he had said certain things at a meeting, at which I was present, that indicated the board should accept the teachers' position. Dean Ianni didn't say those kinds of things and I think they do him an injustice if they claim he was pro-teacher.

Mr. Nixon: Did you tell them your feeling about that?

Hon. Mr. Wells: Oh yes, they know my feeling about it and I have said it publicly to the Windsor press since that time. However, I think there is one other thing that needs to be said about this particular dispute, it having been made very public; it is that the proposal I put to the parties to open the schools and go back to this forced negotiation for a week was accepted by the teachers and rejected by the board because of the reason we have just talked about. Also, in my meetings of two weeks ago or more, the idea of voluntary binding arbitration was broached. The board agreed at that time, in private meetings with me, to put all matters in dispute to voluntary binding arbitration, but this plan was not acceptable to the teachers. The teachers would not put the matters to voluntary binding arbitration.

Mr. Nixon: Why not?

Hon. Mr. Wells: They claimed that in that case the deck was stacked in favour of the boards; that the board certainly would be in favour of going to voluntary binding arbitration, because they had nothing to lose, and that they would put only the monetary matters to arbitration.

Mr. Nixon: They wanted an understanding.

Mr. Bounsall: They wanted negotiation.

Hon. Mr. Wells: Certainly they wanted negotiations, but I think it has to be said that while the board rejected the arrangements to open the schools and continue negotiations on their particular point, the teachers had steadfastly rejected the board's suggestion that there be voluntary binding arbitration to settle the matters; both sides put forward proposals to try to bring an end to this.

The reason I outline all these and catalogue them is that I think they just show that somehow, somewhere, if a responsible body is going to take action, as we are taking action now—we are taking the time of the Legislature of the Province of Ontario to pass this bill—

Mr. Foulds: This is not the Province of Quebec.

Hon. Mr. Wells: —we are taking the time because it is the duty of all of us in this House to provide for a means of settling this matter and not leaving it hanging in the air; and the reasoned amendment only leaves it hanging in the air in a situation—

Mr. Martel: How many times are you going to come back with this type of bill?

[11:30]

Hon. Mr. Wells: —where unrest will continue in the Windsor area. I really find there is no alternative but to reject the hon. member's reasoned amendment and to suggest that he support this bill.

I think the members from the Windsor area particularly should be very happy to support this bill because it's certainly the kind of thing I think the people in Windsor want. They want not only those schools opened—

Mr. Bounsall: Which we agree with.

Hon. Mr. Wells: I hope so, because I think—

Mr. Ruston: Vote for the bill then.

Mr. Shore: You can't have them both, I'll tell you that.

Interjections.

Mr. Speaker: Order, please.

Interjections.

Hon. Mr. Wells: My friend from Brant-Oxford-Norfolk (Mr. Nixon) asked the member if he agreed with that principle. The thing is he says he agrees with it but he votes against the bill every time.

Mr. Shore: Masters and Johnson.

Mr. Bounsall: We vote for our amendment, we don't vote against the bill.

Hon. Mr. Wells: He votes against the bill every time, so that really—

Mr. Renwick: You understand.

Interjections.

Hon. Mr. Wells: I listen to the member for Windsor-Sandwich but the member for Sudbury (Mr. Germa) says it was abhorrent to him—

Mr. Renwick: It is parliamentary procedure.

Mr. Nixon: Right, Jim.

Mr. Renwick: Parliamentary procedure. It's important.

Hon. Mr. Wells: —to vote for any back to work legislation.

Mr. Shore: He doesn't know. He goes any way. The easiest guy in the House.

Hon. Mr. Wells: I have to assume that there are at least some in that caucus who really don't want any back to work legislation and would rather see those schools left closed ad infinitum until a negotiated settlement is arrived at. That's a position we can't accept.

As I say, I would have to say that we could not accept the reasoned amendment. We believe that this bill is the proper one at this particular time to allow classes to resume for 12,500 students in Windsor on Monday.

Mr. Speaker: The motion is for second reading of Bill 75, and Mr. Bounsall had moved a reasoned amendment.

The House divided on the motion for second reading of Bill 75, which was approved on the following vote:

AYES

Belanger
 Bennett
 Bernier
 Breithaupt
 Brunelle
 Bullbrook
 Campbell
 Cunningham
 Davis
 Drea
 Eaton
 Evans
 Ferris
 Givens
 Good
 Gregory
 Grossman
 Haggerty
 Hall
 Handleman
 Henderson
 Hodgson
 Johnson
 (Wellington-
 Dufferin-Peel)
 Kennedy
 Kerr
 Kerrio
 Leluk
 MacBeth
 Maeck
 McCague
 McEwen
 McKeough
 McMurtry
 McNeil
 Meen
 Newman
 (Durham York)
 Newman
 (Windsor-
 Walkerville)
 Nixon
 Parrott
 Peterson
 Reed
 (Halton-Burlington)
 Reid
 (Rainy River)
 Rhodes
 Riddell
 Ruston
 Scrivener
 Shore
 Singer
 Smith
 (Hamilton Mountain)
 Sweeney
 Taylor

NAYS

Bounsall
 Bryden
 Burr
 Cassidy
 Davidson
 (Cambridge)
 Davison
 (Hamilton Centre)
 Deans
 di Santo
 Ferrier
 Foulds
 Germa
 Godfrey
 Grande
 Lawlor
 Lupusella
 MacDonald
 Mackenzie
 Martel
 Moffatt
 Philip
 Renwick
 Samis
 Sandeman
 Warner
 Ziemba—25.

AYES

Timbrell
 Villeneuve
 Welch
 Wells
 Williams
 Worton
 Yakabuski—58.

Clerk of the House: Mr. Speaker, the "ayes" are 58, the "nays" 25.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Some hon. members: Committee of the whole House.

Mr. Speaker: Committee of the whole House? So ordered.

Clerk of the House: The second order; House in committee of the whole.

WINDSOR BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

House in committee on Bill 75, An Act respecting the Board of Education for the City of Windsor and Teachers Dispute.

Mr. Chairman: Are there any comments, questions or amendments?

Hon. Mr. Wells moved that the preamble be amended by striking out "on the first day of April, 1976, and," in the first line and inserting in lieu thereof "and whereas the board of education," so that the second and third "whereas" clauses in the preamble read as follows: "And whereas the board of education locked out the teachers employed by it, and whereas the board of education closed its secondary schools on April 5, 1976."

Mr. Bounsall: Mr. Chairman, we certainly appreciate this amendment placed by the minister at this point of the bill. It does remove some of the uncertainty and dispute which I mentioned last night surrounding the lockout occurring on April 1, 1976. Certainly, as it appeared at the time, the board had decided on the evening prior to that to lock-out on April 1.

According to section 69(2) of Bill 100, the School Boards and Teachers Collective Negotiations Act, it requires the board to present the matters remaining in dispute between the parties, as last received by the board, at

a meeting of the board in public session. The last position of the teachers had not been placed on the evening prior to that so the announced lockout on April 1 was not a lockout. It was a couple of nights later when, at an open meeting of the board in public session, the last offers of the parties were presented and subsequent action with respect to the lockout took place.

This preamble was therefore wrong in that respect initially and your amendment certainly clears it up. We have no problem accepting that amendment and we are appreciative of it.

Mr. Ferris: Mr. Chairman, we have no objection to this amendment. It is simply a clarification.

Mr. Foulds: A significant clarification and we support it.

Hon. Mr. Wells: The only thing I would like to say is that I think my friend who spoke about the amendment indicated there were certainly differences of opinion about it. I wouldn't like to have completely accepted the position that we agreed that what we had in was wrong. What really has to be emphasized, I think, is that there is a difference of opinion as to what dates should be in there. That difference of opinion is going to have to be settled somewhere and I'm not presuming that we or this House should settle it by anything we put in this preamble. Therefore, we've taken all the dates out.

I gather it's still a matter of some discussion and possible legal action as to when the lockout actually occurred. Therefore, we felt it was best that no date be in the preamble.

Mr. Chairman: Are there any other comments to the amendment? Shall the amendment carry?

(Motion agreed to.)

Mr. Chairman: Are there any other comments on the bill?

On section 1:

Mr. Foulds: Section 1(a). Mr. Chairman, may I congratulate you on your elevation.

I want to speak very briefly. We've made the arguments, I think, six times since Bill 100 and at least three times before that. I do not believe that section 1(a) should be part of the bill. I do not believe that arbitration is a satisfactory way to try to settle these disputes.

The minister mentioned morale and attitudes in his summing up. I think arbitration, this kind of compulsory arbitration, is going

to harden attitudes in Windsor. It's going to make the friction and the exacerbation we've seen over the last three years even worse and although it will keep a lid on until the agreement the arbitrator brings in ends, at that point I suspect we'll be facing another blow-up. Probably, if this government is still in power—hopefully it won't be—we will be facing the same kind of legislation shortly after that blow-up. I would like to inform you that we in this party will be voting against section 1(a) of the bill.

[12:15]

Mr. Chairman: Shall section 1(a) stand as part of the bill?

An hon. member: No.

Mr. Chairman: All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion, the "ayes" have it.

I declare the motion carried.

Section 1 agreed to.

On section 2:

Mr. Germa: Mr. Chairman, section 2(1) of the bill is the operative section which says that on the first school day following the day this Act comes into force the school teachers shall return to work.

The minister, in his summing up of second reading of the bill, misrepresented my position when he said the member for Sudbury was not in favour of the schools opening on Monday, or any other day for that matter. Nothing could be further from the truth. It's all a degree of priorities—where the minister puts his priorities and where I put my priorities. The minister is willing to remove the rights of one group of people in order to enforce the rights of another group of people.

I am a little suspicious of people who hide behind children in order to have their whims imposed upon certain people in society. So, nothing could be further from the truth. If the schools could be opened without abrogating someone's rights—well, so be it. I am not opposed to schools being opened. But I am unwilling to take away the right of the school teachers to strike and enforce their demands, in order to uphold the rights of another group of people. Whose rights have priority? That is specifically what we are deciding here.

The minister says the school children are the people whose rights must prevail. Well,

I have my other priorities and I give priority to the principle that people have the right of free collective bargaining. In Bill 100 the minister stands behind that principle, and yet on five different occasions he has seen fit to abrogate his own principles.

Hon. Mr. Wells: I am very pleased to have my friend's comments on that. I think they are very relevant. He perhaps has had a bit of a turn around since we debated this the last time, but he said he is not in favour of any piece of legislation that takes away the rights people have. I would just point out to him, in fact, his reasoned amendment does exactly the same. We don't differ on that particular point. It's only on whether there should be arbitration or compulsory bargaining.

Your reasoned amendment takes away from the teachers the right to strike and it takes away from the board the right to lock out. Really, we are not differing on that particular point. Your reasoned amendment does that already. We are both on the same wavelength. I just sort of detected—I thought from your speech that you didn't even agree with your own party's reasoned amendment; that you thought your colleagues had perhaps softened up a little from what is the traditional socialist NDP approach to these problems—

Mr. Nixon: Maybe he wasn't going to vote for it.

Hon. Mr. Wells: —that there should never be any back-to-work legislation or any abrogation for the public good of some of these rights which we recognize groups should have. I certainly am the first to recognize and believe and defend the rights of a group, like teachers, to have the right to strike, and the schools boards to have the right to lock-outs, and our right, also, to do something about it when the public good demands. So I am pleased to hear my friend talking on this particular point, but I think we really are not that far apart.

Mr. Chairman: Mr. Foulds moves that in section 2, subsection 1, the words "all terms of" be added in line 8 after the word "with" and before the word "such."

Mr. Foulds: The reason for that is one of the most controversial things and one of the most aggravating points on which the teachers in Windsor—at least one or two of the people, though not spokesmen—have indicated they might even decide on legislation, because they feel the board has not been living up to the terms of the previous agreement.

What I think they want—and I know most of the ministry officials won't see it as a substantial thing, but it would give assurance to the teachers—is that the contract that was in effect as it was in effect at the end of 1975, will be paid in the interim until a new agreement is signed. That is in agreement with a clause in their contract already, which evidently the board has seen fit to ignore. Although there is agreement under way about the matter, and an agreement was filed at the beginning of February, there has as yet been no chairman selected.

If we are going to deal with it in the legislation, which becomes effective today or Monday, just for that reassurance I would hope the minister would find it acceptable. I think in the spirit of the actual clause, the intention in the clause is that the agreement would be in effect until the new contract is signed, and that just cleans it up and makes it much clearer and much more definite.

Mr. Nixon: I think it should be well understood that all terms of the contract would apply as for the requirements of Bill 100. I hope it would not be necessary for the teachers to go to court to require the local board to make the payments, which I think in this connection has to do with the cost of living payments following the end of the contract period as of Dec. 31 of last year. Certainly we have no objection to the amendment. I would hope it wouldn't be necessary but if it reinforces the feeling, particularly of this House, that the terms of Bill 100 should not be in any way disregarded, and if it would save a court case on behalf of the teachers, I feel we should support it.

Mr. Bounsall: Is the minister going to reply to that? I would like to hear his reply before I say any remarks.

Hon. Mr. Wells: Yes, I understand exactly what the concerns are here. I know part of the problem is that Bill 100 states that until a new agreement has been reached the terms of the contract under which the parties are operating remain in effect, or at least until 60 days after the fact-finder reports, at which time the employer can vary or change the terms of the contract. With that provision or proviso the terms are to remain in effect. It is my understanding that this hasn't been adhered to in the case of the Windsor teachers and there has been a variance of what they certainly deem to be their 1975 contract. This is a matter of real concern.

As far as I am concerned, it is very clear. The intent of this section is that the contract under which they were operating and which expired Jan. 1, 1976, remains in effect until

a new contract is arrived at. Then when that new contract is arrived at, it becomes effective Jan. 2, 1976. The terms and conditions of the original contract, or the one that has expired, stay completely in effect until the new contract is signed and comes into effect.

I realize there is a problem there. If the addition of the words "all terms of" will help further to clarify in the minds particularly of the teachers in Windsor who are going, I am sure, to be scrutinizing this legislation very carefully, I would have no objection to adding those to the bill.

Mr. Bounsall: I have just a few words.

Mr. Chairman: Perhaps I could put the question before we continue the debate on it.

Mr. Bounsall: I just wanted to say that I am glad the minister has taken that view. It would be helpful, I think, in the situation in terms of clarifying that conditions of 1975 contracts be carried over and be adhered to in this legislation—making that very clear that it be adhered to from January on.

Hon. Mr. Wells: I might add, Mr. Chairman, that I feel they are redundant. Certainly our lawyers say it says that here already—"in accordance with such contracts and written collective undersanding." Our lawyers say that means the whole contract—not part of the contract, not a bit of the contract, not all of it but one bit; but the whole contract—is in effect as under this legislation until a new contract is arrived at. For the sake of clarity I'd be happy to accept that amendment.

Motion agreed to.

Mr. Chairman: Mr. Foulds moves that section 2, subsection 2, be deleted and the following substituted therefor:

During the period from and including the first school day after this Act comes into force until an agreement as defined under the School Boards and Teachers Collective Negotiations Act, 1975, comes into effect, no teacher shall take part in a strike against the board of education and the board of education shall not lock out a teacher.

Mr. Foulds: I don't think I'll speak to it. It's part of the reasoned amendment. We have spoken to it five times in the House. I'd be glad to put it in to clause by clause. In effect, of course, it does away with the arbitration section of the bill.

Mr. Chairman: Is there any discussion on Mr. Foulds' amendment?

Mr. Ferris: I have a brief comment. I think the member for Port Arthur has said this is simply a piece of the reasoned amendment and I think we discussed the reasoned amendment previously in the other strikes and in this one. We will not support the amendment.

Mr. Chairman: Those in favour of Mr. Foulds' amendment will please say "aye."

Those opposed will please say "nay."

In my opinion, the "nays" have it.

I declare the amendment lost and the subsection agreed to.

Section 2, as amended, agreed to.

On section 3:

Mr. Chairman: Mr. Foulds moves that subsection 3, section 3, be amended to read as follows:

The parties shall each give written notice to the Minister of Education within seven days after this Act comes into force, setting out all the matters the parties have agreed upon for inclusion in an agreement and the matters remaining in dispute between the parties and the notice shall be deemed to be notice to the commission; and thereafter, except as provided in section 57 of the School Boards and Teachers Collective Negotiations Act, 1975, a party shall not withdraw from negotiations hereinafter provided for.

Mr. Foulds: I recognize that being defeated on the previous clause, this is somewhat redundant but I'll give it another shot because my colleague wishes to speak to a following clause and it makes more sense in the context if we make this motion at this time, Mr. Chairman. It will destroy the legislation, I might point out, or fundamentally realign it. It would also require the deletion of subsection 1.

Interjection.

[12:30]

Mr. Foulds: Mr. Chairman, I would add that that would necessitate the deletion of subsection 1 of section 3, which I forgot to point out at the beginning of that.

Mr. Chairman: Is there any further discussion on Mr. Foulds' amendment?

Those in favour of Mr. Foulds' amendment will please say "aye."

Those opposed will please say "nay."

In my opinion, the "nays" have it.

I declare the amendment lost and the subsection carried.

Any further discussion on any other portion of the bill?

Mr. Bounsall: Yes, subsection 4 of section 3. I will speak to it after it is placed.

Mr. Chairman: Mr. Bounsall moves that subsection 4 of section 3 be amended by adding after the word "decision" in the final line the words, "which, however, shall be no less favourable to the branch affiliate than the COLA provision in the 1975 contract."

Mr. Bounsall: We would have preferred there be no compulsory arbitration in this situation, but seeing that the votes so far have gone in a way which would indicate we are going to get compulsory arbitration, we feel very strongly we should say to the arbitrator, on one point which is a matter of contention in this dispute, the way in which we would feel it should be handled, in this one respect, in that the COLA provision in the 1975 contract be continued.

I might say this is the one point in the dispute which the teachers themselves have felt very strongly about. They felt that in achieving the contract which ended at the end of 1975 there should be no problems with further disputes because that COLA would simply be continued. It was quite a shock to find that the board felt otherwise. Of course this is open to negotiation, but this is the one point that really surprised everyone in the Windsor area.

The calls I have been receiving as opposed to the other two occasions, when Windsor had a teacher-school board dispute, have been more, shall we say emotional than in the other two disputes, but this time they haven't been all pro the board. There have been many people recognizing and saying to me that surely they do not feel they can roll back this fortunate provision from the 1975 contract and take away from the teachers something which they won through a previous strike. That seems to be a fair feeling on the part of a lot of the citizenry of Windsor.

We do have other parts of the citizenry of Windsor saying they think that COLA is too expensive. We have others saying they don't like to see the board withdraw it from the teachers and cause them to take a step backwards by having something withdrawn from an agreement, which seldom ever happens; but they question the type of COLA,

the one per cent for one per cent increase and would prefer that not to be on a percentage but on a flat-rate basis.

I think there is some justification to that argument, but that would be something which the board and the teachers could sort out, whether it be paid as a percentage of one's individual salary or whether all or a portion of that will be paid out in a flat rate amount. I'm sure the fact that it's in the legislation that the COLA provisions continue as we've suggested would not prevent the two parties, with their arbitrator, deciding that the mechanism of the payment would be slightly different.

Therefore I feel this is a very reasonable amendment. It's one a lot of the community feels should not be withdrawn. It's the one, I think, which most shocked the teachers. In this situation, it should be the one point which is continued in this particular contract under these particular compulsory negotiations.

Just while we're on the COLA, may I ask the minister to respond quite specifically to the one point which we had covered in the minister accepting the amendment from the member for Port Arthur (Mr. Foulds). In the 1975 agreement, which does contain the COLA provision, and on which it is now understood clearly all provisions are to apply, will the COLA provisions apply from this date forward? In other words, until the new contract is signed, it applies from January until today; and you understand that by section 2(1) of the bill as we discussed it previously; that it does apply from today onward until the new contract is reached?

Mr. Ferris: Just a brief comment. We will oppose the amendment, I think for two reasons. First of all, I think you have secured that, partially at least, in the amendment that was made, the effect of keeping the COLA in by keeping the old contract in force, which is one of the main contentions or problems in the strike. I would tend to believe that in going into arbitration the arbitrator should not be saddled with any conditions. This is very similar, of course, to the floors that were brought forward in your reasoned amendment in the other strikes. In fact I was quite surprised that we did not see one this time; but obviously here it is, at least in a partial form. I think to leave the freest movement to the arbitrator, we will oppose this.

Hon. Mr. Wells: First of all, in answer to my friend's question, I would assume that the

legal position—and I'm giving this opinion without benefit of counsel.

Interjections.

Hon. Mr. Wells: Yes, that's only half of the legal opinion, so I'll have to give my own legal opinion; I'm still trying to get an honorary QC some day.

Of course, Bill 100 comes into effect before this bill, and what Bill 100 says governs what would happen up until this bill is passed and receives royal assent. Now, Bill 100 says that the terms and conditions of a contract that have been in effect shall stay in effect until a new one is arrived at, by whatever means or however that new one is arrived at. Or as I said a few minutes ago, until 60 days after the fact-finder's report has been made public; at which time the employer may, if he wishes, vary the terms and conditions of that contract.

I don't know at this point whether the Windsor board of education has varied the terms and conditions of that contract. I know they are disputing, as some say, honouring fully the 1975 contract that was in effect for the months of January, February and March when the teachers were not on strike and were working. There's no question that a teacher shall not be paid for the days he's on strike or when a lockout is taking effect. But if the fact-finder's report, as I understand it, was made public on Feb. 16, that would mean the board could legally alter the contract somewhere around the middle of April—April 16, perhaps, to be correct. It would be my opinion that for January, February and March, under Bill 100, the terms and conditions of the 1975 contracts, all the terms and conditions, should apply. As of the passing of this legislation they will, of course, all apply also.

I don't know whether that answers your question. In effect, I'm saying that I would think that because the teachers were on strike—or the lockout was in effect—during April that's not a point of contention, probably, but that for the months of January, February and March the terms of the 1975 contract should have applied legally and they will apply from when this bill is passed until a new contract is arrived at.

Mr. Bounsall: At this point what happens, from May 10 on?

Hon. Mr. Wells: That's my 50 cent legal opinion. I don't know how my friend—

Mr. Nixon: You must have got it from the Minister of Culture and Recreation (Mr. Welch).

Mr. Ruston: He is a QC.

Hon. Mr. Wells: Continuing on the amendment, I would have to say that I cannot accept this amendment, for the same reasons which have already been put forward.

We do not feel that an arbitrator should be bound. Bill 100 provides that all terms and conditions of employment should be negotiable and that everything either side wishes to put on the table should be able to be put on the table as you negotiate a contract. Certainly we don't think there should be anything put in a bill such as this which would pick out one particular part of the contract and make that untouchable in arbitration, particularly when that particular part is obviously one of the few matters in dispute between the parties at this particular time. For those reasons we cannot accept the amendment.

Mr. Chairman: All those in favour of Mr. Bounsall's amendment to subsection 4, section 3, will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it.

I declare the subsection carried.

Section 3 agreed to.

Sections 4 to 7, inclusive, agreed to.

Bill 75, as amended, reported.

Hon. Mr. Welch moved the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill with a certain amendment and asks for leave to sit again.

Report agreed to.

THIRD READING

The following bill was given third reading upon motion:

Bill 75, An Act respecting the Board of Education for the City of Windsor and Teachers Dispute.

Hon. Mr. Welch: Mr. Speaker, I wonder if I might prevail upon the members of the Legislature to remain in their seats. I have to go down to get the Lieutenant Governor to come in and give royal assent, following

which we'll have the adjournment. I would hope that as a matter of courtesy to the Lieutenant Governor that some will remain so that we have some people here when she comes back.

Mr. Nixon: Perhaps we could go down?

Hon. Mr. Welch: Actually, it has to be reported back to the House anyway, so we have to stand by to have it reported back. [12:45]

ROYAL ASSENT

Hon. P. M. McGibbon (Lieutenant Governor): Pray be seated.

Mr. Speaker: May it please Your Honour, the legislative assembly of the province has at its present sittings thereof passed certain bills to which, in the name of and on behalf of the said legislative assembly, I respectfully request Your Honour's assent.

The Clerk Assistant: The following are the titles of the bills to which Your Honour's assent is prayed:

Bill 75, An Act respecting the Board of Education for the City of Windsor and Teachers Dispute.

Bill Pr5, An Act respecting the City of Cambridge.

Bill Pr6, An Act respecting the Welland-Port Colborne Airport.

Bill Pr11, An Act respecting Napco Poultry Ltd.

Bill Pr14, An Act respecting the Town of Fort Erie.

Bill Pr17, An Act respecting the Institute of Professional Librarians of Ontario.

Bill Pr15, An Act respecting the Town of Fort Erie.

Bill Pr18, An Act respecting the City of Niagara Falls.

Bill Pr19, An Act respecting the City of Hamilton.

Bill Pr20, An Act respecting the City of Ottawa.

Bill Pr26, An Act respecting the City of Hamilton.

Clerk of the House: In Her Majesty's name, the Honourable the Lieutenant Governor doth assent to these bills.

The Honourable the Lieutenant Governor was pleased to retire from the chamber.

Hon. Mr. Welch: Before moving the adjournment of the House, may I indicate the order of business for Monday? On Monday afternoon we have arranged to go into legislation. We will do second reading of Bill 78. We will then go into committee of the whole House doing Bill 78, Bill 45, Bill 47 and Bill 9 in that approximate order and, if there is time, we might go into some others. There will be no session Monday night; Tuesday afternoon we do estimates and then private members' hour; Tuesday evening we do budget debate; Wednesday, committee day; Thursday, estimates; Friday, budget debate.

Any questions at all?

Mr. Nixon: No. It's amazing.

Hon. Mr. Welch moved the adjournment of the House.

Motion agreed to.

The House adjourned at 12:50 p.m.

APPENDIX

(See page 2085)

Answers to written questions were tabled as follows:

11. Mr. Mackenzie—Inquiry of the ministry: In the judicial district of Hamilton-Wentworth, during the 12 months ended Dec. 31, 1975, and referring to section 457 of the Criminal Code, how many persons have been released from custody (a) on undertaking to appear without conditions, (b) on undertaking to appear with conditions, and in how many of these cases did the prosecutor show cause why the detention of the accused was justified?

Answer by the Attorney General (Mr. McMurtry):

11. (a) Number of persons released on undertakings without conditions from Jan. 1 to Dec. 31, 1975—2205.

(b) Number of persons released on undertakings with conditions from Jan. 1 to Dec. 31, 1975—49.

The Ministry of the Attorney General does not keep statistics as to the number of times the prosecutor did show cause.

12. Mr. Mackenzie—Inquiry of the ministry: In the judicial district of Hamilton-Wentworth, during the 12 months ended Dec. 31, 1975, and referring to section 457 of the Criminal Code, what time, on average, did it take for a person accused under the Criminal Code to be tried and how many remands on average were granted to an accused person before his trial? Is the rate of conviction related in any way to the length of time and number of remands granted in criminal cases?

Answer by the Attorney General:

12. Average number of days from date of charge to final disposition:

Elapsed time in days: June, 32.01; July, 34.2; Aug., 36.8; Sept., 41.4; Oct., 42.6; Nov., 43.5; Dec., 42.7. Mean value for period June 1 to Dec. 31, 1975, 39.0 days.

1. For cases disposed in June, 1975, the average number of days from date of charge to disposition was 32.0. (Note: only includes charges received after May 1, 1975, when the ministry's management information system went into effect.)

Statistics are not available on number of remands nor on the rate of conviction in relation to the length of time and number of remands.

20. Mr. Breagh—Inquiry of the ministry: Would the Solicitor General table the terms of reference for the Ontario Provincial Police investigation into procedures used by the Ottawa police force during investigations into the "male prostitution ring" affair of the last 12 months and charges laid by them last spring in this regard?

Answer by the Solicitor General (Mr. MacBeth):

As a result of the Ontario Provincial Police investigation, charges have been laid and the matter is now before the Courts.

30. Mr. Angus—Inquiry of the ministry: 1. Would the Minister of Government Services advise whether the fact that the Workmen's Compensation Board is being accommodated in Thunder Bay in a new facility built by Gwell Investments, who have received considerable funding through NODC in the past couple of years, has anything to do with the fact that the so-called mini-Queen's Park in Thunder Bay was actually built too small or, is the ministry now redistributing the government offices throughout Thunder Bay? 2. How much additional space is available in the mini-Queen's Park facility? 3. Why is the MTC facility which has been constructed on the same lot, not tied into the Centrex telephone system? 4. What are the other government offices that are not located in mini-Queen's Park but are located in Thunder Bay? 5. Why are some ministries located there and others not?

Answer by the Minister of Government Services (Mrs. Scrivener):

The following information is provided in answer to the questions:

1. The Workmen's Compensation Board is responsible for its own accommodation and has its own budget for accommodation. The Ministry of Government Services was therefore not involved with the Workmen's Compensation Board accommodation in Thunder Bay.

2. There is at present 2,600 usable sq ft of space available in the Thunder Bay Consolidated Building.

3. The Ministry of Transportation and Communications and the Ministry of Government Services are presently discussing the possibility of incorporating the MTC operations into the Government Consolidated Telephone System in Thunder Bay.

4. The government offices located in Thunder Bay which are not in the Thunder Bay Consolidated Building are as follows:

Ministry	Operation
1. Attorney General	—Provincial Courthouse —District Courthouse
2. Colleges and Universities	—Registered Nursing Assistants School
3. Community and Social Services	—Regional Office —District Office —Regional Centre for the Mentally Retarded (at Psychiatric Hospital)
4. Consumer and Commercial Relations	—Registry Office
5. Correctional Services	—Correctional Centre —Probation and After Care —Probation and Parole —District Jail
6. Culture and Recreation	—Archaeological Section
7. Environment	—Regional Laboratory
8. Government Services	—Regional Office and Operations Centre
9. Health	—Public Health Laboratory —Psychiatric Hospital
10. Natural Resources	—Water and Land Airbases —Fish and Wildlife Laboratory —Northern Affairs Office —District Fire Cache/Storage —District Fire Centre
11. Revenue	—Regional Assessment Office
12. Solicitor General	—OPP Headquarters
13. Transportation and Communications	—Regional and District Complex

5. Ministries are normally not located in an office complex if they are operationally oriented, or if the activities do not lend themselves to a consolidated office facility. In addition, some ministry activities may be in leased accommodation where it is not economically feasible to consider relocation until expiry of the lease.

36. Ms. Sandeman—Inquiry of the ministry: Would the minister please table the total costs, up to March 31, 1976, of all studies and other activities in connection with the proposed Highway 28 Peterborough bypass? What is the estimated total cost of the completed bypass?

Answer by the Minister of Transportation and Communications (Mr. Snow):

Total costs to March 31, 1976, of all studies and other activities in connection with the proposed Highway 28 Peterborough bypass.....	\$ 394,000
Estimated total cost of the completed bypass from Highway 7 east of Peterborough (Woodview) to Burleigh Falls on Highway 28.....	\$30,000,000

39. Ms. Bryden—Inquiry of the ministry: 1. How many charges have been laid under the Business Practices Act, 1974, since it came into force on May 1, 1975? 2. Who was charged, what was the charge and what was the disposition of the case?

Answer by the Minister of Consumer and Commercial Relations (Mr. Handleman):

1. As far as this ministry is aware, 32 charges have been laid under the Business Practices Act. These are charges initiated by the ministry itself; it is possible that others have been laid by individuals or Crown attorneys.

2. Paulin, Pat—Windsor: Six charges under section 3 relating to section 2(a) (viii); Sousa, Robert—Toronto; one charge under section 3 relating to section 2(a) (x), 2(a) (xiii) and 2(b) (viii); Major, Joseph—Toronto; one charge under section 3 relating to section 2(a) (iii); Langlois, Norman—Sudbury; two charges under section 3 relating to section 2(b) (viii) and 2(a) (ii); Johnson, Kenneth—Toronto; one charge under section 3 relating to 2(a) (ii); Blacklock, Douglas and Cora—Toronto; 21 charges under section 3 relating to section 2(a) (viii).

The charges are still before the courts.

46. Mr. Gaunt—Inquiry of the ministry: What was the total cost to the Ministry of Natural Resources and the government to handle and fly 300 Canada Geese by Twin Otter aircraft from Wiarton to Buffalo for customs clearance and then on to their destination in Tennessee which took place in February, 1976?

Answer by the Minister of Natural Resources (Mr. Bernier):

Total cost to the Ministry of Natural Resources, excluding regular staff salaries, to handle and transport 300 Canada Geese via Twin Otter aircraft from Wiarton to Tennessee was \$4,924.19.

49. Mr. Angus—Inquiry of the ministry: Would the Minister of Natural Resources and the Minister of Transportation and Communications advise what work their ministries have performed inside and outside of the boundaries of the Minaki Lodge development, which has direct bearing on the operation of the lodge?

Answer by the Minister of Natural Resources:

A site development plan for Pistol Lake Park is in the hands of a consultant at the present time. The site plan is to be completed this year.

Answer by the Minister of Transportation and Communications:

The Ministry of Transportation and Communications has not incurred any expenditures inside or outside the boundaries of Minaki Lodge development, which has a direct bearing on the operation of the lodge.

Any maintenance work carried out on the highways was due to existing road conditions and would benefit all tourist activity in the area.

50. Mr. Young—Inquiry of the ministry: What is the average property tax paid: 1. in rural Ontario; 2. in towns up to 10,000 population; 3. in urban areas from 10,000 to 30,000; 4. in urban areas from 30,000 to 50,000; 5. in urban areas above 50,000?

Answer by the Treasurer (Mr. McKeough):

In response to your question tabled in the Legislature, on April 6, 1976, attached please find data on residential property tax burdens in Ontario. The data is in a slightly different format from that which you requested, but I trust it will meet your purposes. All figures are estimates as final 1975 financial data is not yet available. Municipalities with populations above 10,000 can be considered urban in nature, while those with populations of 5,000 to 10,000 include both towns and townships undergoing urbanization. Municipalities with populations of less than 5,000 are generally considered rural. The figures represent gross taxes per household, before both provincial tax credits and rebates and municipalities' own tax relief programmes.

1975 AVERAGE RESIDENTIAL PROPERTY TAXES PER HOUSEHOLD	
Population of Municipality	Average Tax \$
Greater than 100,000	506
50,000 — 100,000	476
25,000 — 50,000	407
10,000 — 25,000	377
5,000 — 10,000	290

Population of Municipality	Average Tax \$
2,500 — 5,000	251
1,000 — 2,500	214
Less than 1,000	145
Provincial average for all municipalities	422

51. Mr. Godfrey—Inquiry of the ministry: Will the Minister of Culture and Recreation confirm that he will implement the recommendation of the Bowron Report (The Ontario Public Library; Review and Reorganization) section 7, number 1—"It is recommended that all municipal Library Boards be composed of nine members appointed by the municipal council" etc. . . . ?

Answer by the Minister of Culture and Recreation (Mr. Welch):

My ministry made 475 copies of Mr. Bowron's report available without charge to the public library boards in Ontario. There have been and will be meetings to discuss the recommendations. Until we can give the library community a few months to come to conclusions about the report, it would be unwise if I were to, at this time, come to a final conclusion about this particular recommendation. I expect to be discussing the report with the Ontario Provincial Library Council, the Provincial Municipal Liaison Committee and other groups. I will welcome expressions of opinion from any individual or group and have already received a number.

53. Mr. Nixon—Inquiry of the ministry: Will any municipalities have their general support grant reduced to less than 95 per cent of their previous year's grant? If so, identify the municipalities and give the percentage reduction.

Answer by the Treasurer:

In the absence of 1975 Municipal Financial Reports, any specific response to the above question has to be very tentative at this time. However, there is no doubt that there will be many instances of general support grant reductions. There are two main reasons for this:

1. Many municipalities are expected to have a lower 1975 levy than in 1974. The 1976 GSG being based on 1975 levies, therefore, will drop below the 1975 GSG (based on 1974 levies) at a constant six per cent grant rate. At present, it is anticipated that there will be 76 municipalities in this category. (See Appendix A).

2. Many municipalities received a 1974 grant rate in excess of six per cent as a result of a low spending growth rate and became eligible for the one-year protection at 95 per cent of their 1974 grant entitlements during 1975. In 1976, all municipalities will receive the standard six per cent of their 1975 levies. For many municipalities this will be less than 95 per cent of what they received in 1975. At present, it is anticipated that there could be 129 municipalities in this category. (See Appendix B).

3. A third category is hidden under category 2. This group would incur a sizable loss under the GSG because they lose their 95 per cent protection while, at the same time, their 1975 levy is lower than in 1974.

Given the diversity of the municipal sector, there will undoubtedly be varying reasons why 1975 levies would fall below those in 1974. These may range from pleasant surprises from unconditional grants, notably the resource equalization grant, to the non-recurrent mill-rate financing in 1974 of particular capital projects or, for that matter, the use of reserves combined with restraint in spending.

Important considerations in assessing the loss in GSG because of a grant rate reduction are the following:

The 1974 GSG schedule, ranging from three to nine per cent depending inversely on spending growth rates, induced many municipalities to keep spending down and maximize at the nine per cent grant rate;

The subsequent rate of inflation and demand for services would have made it virtually impossible for these same municipalities to repeat the required low spending growth into 1975 and 1976;

As a result, they would have dropped below the average grant rate, if the province had continued the 1974 schedule;

Instead, they were protected in 1975 at 95 per cent of their 1974 grant, the province giving them the benefit of the doubt;

In 1976, all municipalities are secured to receive six per cent of their 1975 levies;

Any municipalities that could have managed all three years at very low spending growth rates, obviously are municipalities with low or declining needs.

APPENDIX A

1976 GENERAL SUPPORT GRANT REDUCTIONS CAUSED BY LOCAL LEVY REDUCTIONS

Municipalities With Reductions Between Five Per Cent and AO

Municipalities with reductions between 5% and 9.9%

Bothwell T.; Chesley T.; Cobden V.; Dalton Tp.; Denbigh etc. Tp.; Downie Tp. Dummer Tp.; East Hawkesbury Tp.; Essex T.; Exeter T.; Frontenac Co.; Glamorgan Tp.; Head, etc. Tp.; Hinchinbrooke Tp.; Lanark Tp.; Lavant etc. Tp.; Madoc V.; Morson Tp.; North Algona Tp.; St. Catharines C.; Stirling V.; Tuckersmith Tp.

Municipalities with reductions between 10% and 14.9%

Bonfield Tp.; Clarendon etc. Tp.; Dunwich Tp.; Front of Escott Tp.; Gordon Tp.; Keppel Tp.; Leamington T.; McKillop Tp.; Mountain Tp.; Pembroke Tp.; Pilkington Tp.; Port Stanley V.; Raglan Tp.; Rear of Lansdown Tp.; Rolph etc. Tp.; St. Vincent Tp.; Sydenham Tp.; Westminster Tp.

Municipalities with reductions more than 15%

Adolphustown Tp.; Amherst Island Tp.; Ancaster T.; Arkona V.; Brooke Tp.; Burleigh etc. Tp.; Cambden Tp.; Caradoc Tp.; Cramahe Tp.; Emo Tp.; Erieu V.; Glanbrook Tp.; Gosfield South Tp.; Greenock Tp.; Harriston T.; Hullett Tp.; Manvers Tp.; Marmora V.; Matchedash Tp.; McCrosson Tp.; Montague Tp.; Nairn Tp.; Newbury V.; North Emsley Tp.; Omemee V.; Palmerston etc. Tp.; Port Burwell V.; Proton Tp.; Rear of Yonge etc. Tp.; Ripley V.; Shelburne V.; Stanley Tp.; Tyendinaga Tp.; Wellington V.; Wolford Tp.; Worthington Tp.

APPENDIX B

1976 GENERAL SUPPORT GRANT REDUCTIONS CAUSED BY GRANT RATE AND LOCAL LEVY REDUCTIONS

Municipalities with reduction between 5% and 9.9%

Anson, Hindon Tp.; Athol Tp.; Barrie Tp.; Belmont etc. Tp.; Billings Tp.; Dresden T.; East Garafraxa Tp.; Edwardsburgh Tp.; Elora V.; Gravenhurst T.; Hamilton C.; Hensall V.; Howe Island Tp.; Kennebec Tp.; King Tp.; Leeds & Grenville Co.; Lincoln T.; Marathon Tp.; Mersea Tp.; Mornington Tp.; Newmarket T.; Nickel Centre T.; North Dumfries Tp.; Oakville T.; Onaping Falls T.; Oro Tp.; Owen Sound C.; Pakenham Tp.; Perth Co.; Renfrew Co.; Sandwich West Tp.; Sombra Tp.; Sudbury C.; Thessalon Tp.; Thornloe V.; Walkerton T.; Woodville V.

Municipalities with reductions between 10% and 14.9%

Aurora T.; Bangor etc. Tp.; Brant Co.; Carling Tp.; Carlow Tp.; Collingwood T.; Elliot Lake T.; Finch V.; Grand Bend V.; Guelph C.; Hagar Tp.; Haldimand Tp.; Highgate V.; James Tp.; Laxton etc. Tp.; Oso Tp.; Pembroke C.; South Dorchester Tp.; South Fredericksburg Tp.; Stafford Tp.; Vaughan T.; Wallace Tp.

Municipalities with reductions more than 15%

Adelaide Tp.; Alexandria T.; Amabel Tp.; Ameliasburgh Tp.; Amherstburg T.; Atwood T.; Augusta Tp.; Balmertown I.D.; Barry's Bay V.; Belle River T.; Belmont V.; Bentinck Tp.; Blyth V.; Bosanquet Tp.; Bracebridge T.; Brantford C.; Cookstown V.; Cornwall C.; Culross Tp.; Deep River T.; Delhi Tp.; Deloro V.; Dunnville T.; East Williams Tp.; Fullarton Tp.;

Glencoe V.; Grand Valley V.; Grattan Tp.; Haldimand T.; Hepworth V.; Hilton Beach V.; Jaffray etc. Tp.; Jocelyn Tp.; Kearney T.; Kemptville T.; Lion's Head V.; Listowel T.; Maidstone Tp.; Manitouwadge Tp.; Morley Tp.; Nanticoke C.; Norfolk Tp.; North Dorchester Tp.; North Marysburgh Tp.; North York B.;

Paris T.; Pelee Tp.; Perth T.; Peterborough Co.; Petrolia T.; Point Edward V.; Prescott S.T.; Rideau Tp.; Rochester Tp.; Ross Tp.; St. Joseph Tp.; Sandfield Tp.; Sandwich South Tp.; Scarborough B.; Seymour Tp.; Shallow Lake V.; Sherborne etc. Tp.; Storrington Tp.; Tilbury North Tp.; Tosorontio Tp.; Warwick Tp.; Windsor C.; Wyoming V.; Yarmouth Tp.; York B.

CONTENTS

Friday, May 7, 1976

Point of privilege re constituency offices, Mrs. Campbell	2071
Points of privilege re answers to oral questions, Mr. Lewis, Mr. Martel	2071
First ministers' conference, statement by Mr. Davis	2072
Syncrude project, statement by Mr. Timbrell	2074
Motor vehicle injury statistics, statement by Mr. Snow	2074
Oil prices, questions of Mr. Davis: Mr. Lewis, Mr. Nixon, Mr. Foulds, Mr. Peterson	2075
OHC prosecutions, questions of Mr. McMurtry: Mr. Lewis, Mr. Breithaupt, Mr. Cassidy	2076
Hospital closings, questions of Mr. Davis: Mr. Lewis	2077
School bus transportation, question of Mr. Snow: Mr. Lewis	2078
LCBO outlet in New Liskeard, questions of Mr. Handleman: Mr. Breithaupt	2078
Silver Islet development, question of Mr. Bernier: Mr. Breithaupt	2079
Shortage of skilled tradesmen, question of Mr. Parrott: Mr. Breithaupt	2079
Huntsville development plan, questions of Mr. Kerr: Mr. Breithaupt	2079
Contamination of fish, questions of Mr. Kerr: Mr. Deans, Mr. B. Newman	2080
Sale of government vehicles, question of Mr. Snow: Mr. Ruston	2080
United Asbestos plant, question of Mr. Kerr: Mr. Lewis	2081
Report on day care, questions of Mr. Taylor: Ms. Bryden, Mr. Sweeney, Mr. Martel, Mrs. Campbell	2081
Townsend site, questions of Mr. Rhodes: Mr. G. I. Miller, Mr. Nixon	2082
Duties of ministers without portfolio, questions of Mr. Henderson: Mr. Foulds	2082
Status of women project, question of Mr. Taylor: Mrs. Campbell	2083
Olympic lottery, questions of Mr. Welch: Mr. Samis, Mr. B. Newman	2083
Report, Ministry of Solicitor General, Mr. MacBeth	2084
Report, administration of justice committee, Mr. Lawlor	2084
Child Welfare Amendment Act, Mr. Leluk, first reading	2084
Environmental Protection Amendment Act, Mr. Kerr, first reading	2084
Tabling answers to questions on order paper, Mr. Welch	2085
Windsor Board of Education and Teachers Dispute Act, Mr. Wells, second reading	2085
Windsor Board of Education and Teachers Dispute Act, reported	2089
Third reading	2094
Royal assent to certain bills, the Honourable the Lieutenant Governor	2095
Motion to adjourn, Mr. Welch, agreed to	2095
Appendix, answers to questions on order paper	2096

SPEAKERS IN THIS ISSUE

Bernier, Hon. L.; Minister of Natural Resources (Kenora PC)
Bounsall, E. J. (Windsor-Sandwich NDP)
Breithaupt, J. R. (Kitchener L)
Bryden, M. (Beaches-Woodbine NDP)
Bullbrook, J. E. (Sarnia L)
Burr, F. A. (Windsor-Riverside NDP)
Campbell, M. (St. George L)
Cassidy, M. (Ottawa Centre NDP)
Davis, Hon. W. G.; Premier (Brampton PC)
Deans, I. (Wentworth NDP)
Ferris, J. P. (London South L)
Foulds, J. F. (Port Arthur NDP)
Germa, M. C. (Sudbury NDP)
Good, E. R. (Waterloo North L)
Haggerty, R. (Erie L)
Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
Henderson, Hon. L. C.; Minister without Portfolio (Lambton PC)
Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
Leluk, N. G. (York West PC)
Lewis, S.; Leader of the Opposition (Scarborough West NDP)
MacDonald, D. C. (York South NDP)
Martel, E. W. (Sudbury East NDP)
McKeough, Hon. W. D.; Treasurer, Minister of Economics and Intergovernmental Affairs
(Chatham-Kent PC)
McMurtry, Hon. R.; Attorney General (Eglinton PC)
Miller, G. I. (Haldimand-Norfolk L)
Newman, B. (Windsor-Walkerville L)
Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Parrott, Hon. H. C.; Minister of Colleges and Universities (Oxford PC)
Peterson, D. (London Centre L)
Reid, T. P. (Rainy River L)
Renwick, J. A. (Riverdale NDP)
Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)
Ruston, R. F. (Essex North L)
Samis, G. (Cornwall NDP)
Shore, M. (London North L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Sweeney, J. (Kitchener-Wilmot L)
Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)
Timbrell, Hon. D. R.; Minister of Energy (Don Mills PC)
Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)
Wells, Hon. T. L.; Minister of Education (Scarborough North PC)



Ontario. Legislative Assembly

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Monday, May 10, 1976

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

MONDAY, MAY 10, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

POINT OF PRIVILEGE

Hon. B. Stephenson: I have a point of personal privilege, Mr. Speaker. On Friday morning last, the member for St. George rose on a point of privilege asking of you, Mr. Speaker, if I, as the member for York Mills, had breached the guidelines for members' constituency offices.

Mr. Speaker, as of this date I have not accepted any public funds from this province to operate the York Mills riding office. The costs for that office are presently, and have in the past, been borne by my riding association. Perhaps, Mr. Speaker, in the future, if the member for St. George is worried about my constituency affairs, she might like to ask the question when I am present in the House.

Mr. Lewis: I guess my point of last Friday morning is vindicated, Mr. Speaker. I didn't get a reply. I just wanted to remind you.

Hon. B. Stephenson: Mr. Speaker, the Leader of the Opposition may have the extra reports that he asked for. They are here.

Mr. Lewis: Oh, how nice of you.

Interjections.

Mr. Speaker: May I also suggest to the hon. members that such matters can often be handled quite well at the Tuesday night late show.

POLICE WEEK

Hon. Mr. MacBeth: I am pleased to announce to the members of the House that this is Police Week, 1976, in the Province of Ontario.

I have just returned from Nathan Phillips Square, where municipal officials and police authorities were on hand to initiate Police Week in the Metro area. Throughout the

province this week, many municipal and regional forces are conducting special programmes. I hope a variety of organizations and individuals will mark the occasion with a thoughtful examination of the police function in society, how the police have lived up to their duties over the past year and what our law enforcement goals must be for the future.

Because last year's theme was so successful the slogan for this year's Police Week in Ontario is again, "Police Protect People," which is a very apt phrase. Police officers are much more than crime fighters. As well as needing our police for law enforcement, they protect human life, they safeguard property, they help people in need and they try to prevent crimes before they happen. Yet all too frequently we take them for granted.

At the same time that we are demanding more from our police officers, the public should also be expected to have a fuller grasp of how our laws work and understand better and appreciate the role of police in our society. During Police Week and throughout the year, we remind citizens of our high quality of law enforcement and ask them to consider their personal obligations in helping maintain this standard.

By way of a postscript, I'd like to pay tribute to the member for Kent-Elgin (Mr. Spence) who, I see, is going to co-operate with the police during this week and has determined to become law-abiding. I think that's a very fine way to start out Police Week.

Mr. S. Smith: What about the member for St. Catharines (Mr. Johnston)?

NATIONAL LOTTERY

Hon. Mr. Welch: For several months now officials representing each province have met with a view to the establishment of a national lottery which would continue on an interprovincial basis to replace the Olympic lottery which has its last draw in August. By mid-March all of the provinces, with the exception of Quebec, had agreed with this proposal and public statements were made by both Premier Hatfield of New Brunswick and a representa-

tive of the Western Canada Lottery Foundation, indicating the support of the Maritimes and the western provinces for such an approach. Discussions, I am advised, are continuing with Quebec officials to ascertain their interest in this particular proposal.

Under the interprovincial lottery scheme, each province would determine its own spending priorities for the revenue derived from tickets sold within its jurisdiction. For example, Quebec could use its share of the proceeds to help pay for the Olympic site; the west may choose to fund recreational and sports activities; and we in Ontario are anxious to use our share of the proceeds of this national lottery to support medical research and health-related environmental programmes.

We understand, however, that the government of Canada intends to announce the establishment of a federal Crown corporation vested with authority to run a national lottery of its own. Rather than being at the disposal of the individual provinces, the proceeds of such a lottery are expected initially to assist in the retirement of the Olympic capital debt and thereafter be at the disposal of the federal government for the support of sports activities.

To date, despite the implications such a move would have in Ontario where 40 per cent of Olympic lottery tickets are now purchased, there has been no formal, or indeed informal, consultation initiated by the federal government with the government of this province. Ontario's support for the 1976 Olympics speaks for itself. We have already committed substantial funds for the construction of the Olympic sailing facilities at Kingston, and through the regular programmes of my ministry we have supported our own athletes and Olympic contenders by providing funds and facilities to further their training.

The success of the Wintario lottery guarantees that support will continue to be available to the sports community after the Olympics are over. Funds have been forthcoming from Ontario for the support of the special cultural Olympic programme that has been planned as part of the Olympic celebration.

As well, in accordance with an agreement entered into in November, 1973, between this province and Olympic Lottery Canada, about \$65 million has already been raised in Ontario to help defray the administrative costs of the games from the more than \$186 million worth of Olympic lottery tickets sold in this province so far.

There are other priorities, however, which Ontario would wish to support with any new lottery operating in our province. In pursuing

with our sister provinces the interprovincial lottery proposal, Ontario has identified medical research and health-related environmental programmes as initial priorities for additional lottery support.

In order that the people of Ontario may more directly benefit from the proceeds of tickets sold in Ontario, it is our intention to continue to pursue the interprovincial approach despite any unilateral action the federal government may wish to take.

Mr. Speaker: Oral questions.

HOSPITAL CLOSINGS

Mr. Lewis: I have a question, first, of the acting Minister of Health. In light of the stunning repudiation of the government's decision to close the small community hospitals, delivered at 12 noon today in divisional court unanimously by the three judges involved, and in light of the abuse of cabinet power which that decision exemplifies, can we ask her, as a matter of good faith let alone good government, that she reinstate the right of all those hospitals to continue unclosed and choose to save her money elsewhere in her inflated health budget?

Hon. B. Stephenson: Mr. Speaker, while I would not purport to disagree with the hyperbole of the hon. Leader of the Opposition, I have not as yet seen the decision of the judges. When that decision is seen by the Ministry of Health and by the cabinet—

Mr. Roy: We heard it. The ministry doesn't have to see it.

Hon. B. Stephenson: —we shall review our position and, of course, shall be reporting to this House.

Mr. Singer: Indeed, it's about time. Hospital reopening week.

Mr. Speaker: Order, please.

Mr. Lewis: By way of a supplementary, surely the minister knows by now, if only from news reports, that the judges found the use of the Public Hospitals Act to close hospitals for reasons of financial restraint was an abuse of the legislative process and, surely, there is no conceivable way to recapture public sympathy or support of any kind unless she removes or eliminates her original decision? Will she consider that as part of the option before her?

Hon. B. Stephenson: Mr. Speaker, as I said just a few moments ago, I have not seen

the decision. I do not know whether the judges considered it an abuse of any kind of process at all. When I have seen the decision and when it has been reviewed with the Attorney General (Mr. McMurtry) the other members of cabinet and the Premier (Mr. Davis), we shall be very pleased to speak to the House on this subject, but not before.

Mr. S. Smith: A supplementary: While the minister is reading the decision of the judges and while she is deciding whether or not to appeal, and while she is preparing an appeal, if that should be her decision, can the various hospitals of this province which the ministry has illegally closed stay open and perform the community functions they're designed to do while she goes through the various legislative processes before she finally comes to realize that the ministry has acted illegally?

Mr. Nixon: And in receipt of proper grants.

Hon. B. Stephenson: Mr. Speaker, as I said, I do not know whether the judges have decided that this was illegal action or not.

Mr. S. Smith: They did.

Mr. Singer: They set aside the order in council. Isn't that enough for the minister?

Hon. B. Stephenson: I shall be very happy to remind the hon. leader of the Liberal Party that the hospitals are still functioning until June 1 and July 1 and, of course, will continue to do so.

Mr. Singer: Much longer.

Mr. Lewis: By way of a supplementary, Mr. Speaker, can we have a guarantee from the acting Minister of Health that once the decision has been read and she understands that the judges ruled against the cabinet, funding will continue from the province not only for the four hospitals reinstated by the judges but for all the remaining hospitals which did not go to court and should be saved the expense of going to court?

[2:15]

Hon. B. Stephenson: Mr. Speaker, all aspects of this problem will be reviewed.

Mr. Speaker: A final supplementary.

Mr. Singer: I wonder if the minister, in her reconsideration of the government's position, would see fit to direct her legal advisers to look carefully at the ability to pass new

statutes, to look carefully at whether or not there is a right to discriminate as among various hospitals in amounts of grants, and probably to look carefully at whether or not new and better legal advice should not be made available to the ministry, because its present advice is pretty poor?

Hon. B. Stephenson: Mr. Speaker, unlike the hon. member for Wilson Heights, I am not a legal beagle.

Mr. Roy: You should be.

Mr. Ruston: It would help.

Mr. Speaker: Order.

Hon. B. Stephenson: However, the government of this province has acted in very good faith throughout all of these activities in order to ensure that a very high quality of health care services, which this government has continuously provided, will continue to be provided as economically as possible. If, in fact, the decision of the courts is that the government should not function economically, then I think that is something all of us should examine carefully.

Mr. Singer: That is not what they said at all.

Mr. Lewis: By way of supplementary—

Mr. Speaker: New question.

Mr. Singer: They said you didn't have power to attempt to do what you are trying to do. That is pretty close to contempt, that one.

LEGALITY OF GOVERNMENT DECISIONS

Mr. Lewis: By way of a new question, since the acting Minister of Health shows neither remorse nor chagrin where the courts have found against the government in clear and explicit terms, is she trying to say to the Legislature that in order to impose her financial restraints discriminately upon these hospitals she will bring legislation before us to do exactly what the courts have now said she is not entitled to do?

Hon. B. Stephenson: Mr. Speaker, if the hon. Leader of the Opposition would simply listen, I made no such statement at all. I simply said we would review the decision and would most certainly be reporting to the House.

Mr. Roy: Supplementary, Mr. Speaker.

Mr. Speaker: Final supplementary.

Mr. Singer: It was a new question—it's the first supplementary.

Mr. Roy: May I ask the minister who says that she wants to review the decision, in view of the fact that she is not familiar with the decision, why does she take the approach here this afternoon that because the court has ruled she did not have the power to do what she did under the Act, the court doesn't want her to save money?

Mr. Singer: Good question.

Mr. Speaker: Order, please.

Mr. Roy: Does she not feel that by saying that, she is coming very close to contempt of court?

Mr. Speaker: Order, please. The main question had to do with possible legislation; so the hon. member's question is not supplementary.

Mr. Singer: You don't need to save her—let her answer. Let her answer.

Mr. Speaker: Order, please.

Mr. Singer: Let her answer.

Mr. Speaker: Order, please.

Mr. Lewis: Is it contempt of court? Because if it is, I judge it to be serious. I would like to know whether the acting Minister of Health will still be with us tomorrow under the circumstances.

Mr. Roy: Let me give you some advice—don't go phoning judges.

Mr. Lewis: I have a question, I guess, for the House leader, in the absence of all those who are both notable and notorious. May I ask him, is he prepared to make a review of comparable orders in council and cabinet decisions effected under the restraint programme to see whether or not they are consistent with the public statute, given this unprecedented legal decision?

Hon. Mr. Welch: Mr. Speaker, I would assume the Premier (Mr. Davis), in consultation with the chief law officer of the Crown, would want an opportunity to review this decision of the divisional court, and perhaps we could provide them that opportunity. It's one on which, no doubt the Premier would want to make some specific response to that type of question.

Mr. Roy: Where is everybody?

Mr. Singer: Supplementary, Mr. Speaker: Would the House leader not agree that if the

decision this morning given by the divisional court relates only to section 4, subsection 5 of the Public Health Act, any relationship it might have to orders in council in connection with anti-inflation rulings are quite irrelevant and were not covered by the decision this morning?

Hon. Mr. Welch: I'll keep that point in mind. It will be taken into account when the consideration is being given.

Mr. Roy: Where is everybody this afternoon?

Interjections.

Mr. Lewis: Thank you very much, Bob and Vern.

Mr. Singer: You're welcome.

Mr. Speaker: Order, please. The hon. Leader of the Opposition has the floor.

Mr. Lewis: You work so nicely in tandem together.

Mr. Singer: Got rid of you on that one.

AID TO ITALIAN EARTHQUAKE VICTIMS

Mr. Lewis: May I ask the House leader on another matter, is it the intention of the government to undertake a specific assistance project either by way of funds or emergency relief for the earthquake victims in Italy?

Hon. Mr. Welch: I think that particular matter is being discussed either this afternoon or tomorrow in some meetings in which the Premier (Mr. Davis) is to be involved. I think the Premier will have something to say about that before the end of the week.

PUBLIC HEALTH NURSES' NEGOTIATIONS

Mr. Lewis: One last question, if I may, to the acting Minister of Health: Had she noticed that a number of public health nurses are now being locked out by boards of health? I guess the Victoria-Haliburton area is the most recent. Is there any way of rescuing this dispute from the shambles which engulfs it before real problems occur?

Hon. B. Stephenson: I think some real problems have already occurred, as a matter of fact. We have been attempting to persuade the boards of health that perhaps the route would be that which has been suggested by the nurses—the route of arbitration. That we

have not succeeded as yet is unfortunate, I believe. But we are attempting today to discover the specific reasons for this decision by this specific board of health. I don't know those reasons at the moment.

Mr. Lewis: By way of supplementary, has the minister looked at the apparent violations of good-faith bargaining in the behaviour of the various boards that have locked nurses out or refused to make any offer above the guidelines?

Hon. B. Stephenson: We have not looked specifically at any one board of health in this area. The nurses as parties to the bargaining can lay that complaint with the Labour Relations Board, if they so wish.

Mr. S. Smith: Supplementary: Notwithstanding that the health unit that has locked out the nurses in the Haliburton-Kawartha-Pine Ridge district has on the board one person appointed by the Ontario government, is the minister able to assure us that this reprehensible action of locking out the nurses will result in replacement of that particular member?

Hon. B. Stephenson: I can most certainly investigate this. I did not know there was one on the board.

LABOUR RATES OF ONTARIO HYDRO MOVING CONTRACTOR

Mr. S. Smith: I have a question for the Minister of Energy who reports for Ontario Hydro. Is the minister aware there is a labour scale in the moving contract that was involved in moving the various Hydro offices to the "Moogery" across the street here, but the people who won the contract have not been paying the labour scale to a good many of the employees? Is he also aware that the names of many of the employees who have received less than labour scale had already been given on March 31 to Ontario Hydro and yet no action appears to have been taken? Can the minister tell us what his opinion is in the matter and what he intends to do about it?

Hon. Mr. Timbrell: I intend to investigate the matter.

Mr. S. Smith: Supplementary: Is the minister fully cognizant of the fact that in the tendering for this particular contract, which runs to about \$250,000, this difference in labour costs, which amounts to about \$100,000, is one that may have caused the winner

of the contract to be able to submit a lower bid, knowing all the while that he would get away with paying less than labour scale and that other better bidders could well have come in with lower bids had they played the same game? Can the minister guarantee us that the workmen on that particular job will all receive union scale?

Hon. Mr. Timbrell: The hon. leader of the third party makes certain allegations and certain hypothetical situations. I will investigate and report to the House with a complete report.

CONVICTION OF POLICE OFFICER

Mr. S. Smith: I have a question of the Solicitor General and I guess, this being Police Week, it's a reasonable question to ask. Could the minister explain to us what his position is with regard to the situation in Peel where a Peel regional policeman has been convicted of a very serious offence—criminal assault occasioning bodily harm—which is not just ordinary assault? Does the minister feel it is appropriate that he should be allowed to continue his duties as an officer of the law and, if so, can the minister assure us that he will continue them in a way that doesn't bring him into the sort of contact with people where this is likely to be repeated?

Hon. Mr. MacBeth: I believe that matter is before the courts still by way of an appeal, but my opinion is that every case does not necessarily involve the same sort of treatment. I was looking at something the other day which referred to one of the occupational hazards, as it were, of being in police work because some amount of force is necessary.

Since it's still before the courts, I will keep an eye on it, sir, and get an opinion for the leader of the Liberal Party after the court has determined it.

FAMILY LAW REFORM

Mr. S. Smith: A question for, I guess, the House leader in the absence of the Premier (Mr. Davis) and the Attorney General (Mr. McMurtry). It was indicated in the Throne Speech that the government would be bringing forward legislation on family law reform this spring. Can the minister give us a firmer date as to when this legislation can be expected, especially in view of the report of the federal Law Reform Commission which identifies Ontario as one of the jurisdictions in Canada being very backward with regard to

classical property rules between husbands and wives? When can we expect this legislation?

Hon. Mr. Welch: Mr. Speaker, I know it's the plan of the Attorney General to bring that legislation forward following its consideration in some committee. It's at a committee stage now. I think the Attorney General's plan, because of the nature of that type of legislation, would be to introduce it and to leave it on the order paper so that it could be considered by the people at large over the summer recess.

Mr. Roy: A supplementary: Is the minister saying he's satisfied that this legislation is going to be introduced before the House adjourns in June?

Hon. Mr. Welch: Yes.

CHILD IMMUNIZATION

Mr. S. Smith: A final question for the acting Minister of Health: In view of public concern with regard to the statements in Ottawa that the public beaches might be closed this summer due to the worries about polio, can the minister make a definitive statement saying whether the beaches will or will not be open? Can she bring us up to date about whether she's doing any systematic testing for polio virus? The Ottawa situation came out in university tests. I wonder if the ministry is doing any systematic testing of its own?

Hon. B. Stephenson: Mr. Speaker, the studies came out as a result of the work of a student over a period of two or three years, who reported finally to a meeting—

Mr. Roy: Hardly a student. He is a doctor.

Hon. B. Stephenson: Yes, a PhD graduate student, right—who reported to a meeting in January in Ottawa regarding his findings in the Ottawa River. His primary concern was whether the Ottawa River should be used for recreational purposes in view of the findings that he noted in his report. In actual fact, the viruses he did isolate have been examined and are considered to be mutants of the three usual polio viruses plus a real virus that has no known human pathological significance. It is felt that immunization by the standard mechanism used by the Province of Ontario will provide almost complete defence against those viruses in the water of the Ottawa River.

At the present time, the Ministry of Health, of course, has two responsibilities. The first

is immunization; the second is monitoring; and these are being carried out. The Ministry of the Environment has the regulatory and remedial legislative functions as well and we understand it is examining the function of the local plants in Ottawa at this time.

To my knowledge, there is no immediate danger to human health from the Ottawa River provided the people who use that waterway are fully immunized.

Mr. Roy: It's the Rideau River.

Mr. Cassidy: Has the minister been in touch with the regional health unit in Ottawa about this matter? What instructions have gone out from the ministry to other public health units across the province about checking the water conditions in recreational areas elsewhere in Ontario?

Hon. B. Stephenson: Mr. Speaker, we have been in direct touch with the Ottawa district health unit. Of course, we are in constant touch with the other health units throughout the province regarding water testing and other matters.

Mr. Cassidy: But for polio?

Hon. B. Stephenson: For all viruses.

Mr. Speaker: The hon. member for St. Andrew-St. Patrick has a question.

Mr. Deans: I wonder what on?

HOSPITAL CLOSINGS

Mr. Grossman: I have a question for the acting Minister of Health: Would she undertake, say by tomorrow evening, to give some firm directions—

Mr. Roy: What time?

Mr. Grossman: —to the people at the Doctors Hospital with regard to what exactly they should do in the ensuing weeks, even if she hasn't made a final decision on appeal or another attempt to close it or whatever? While they're looking for jobs and patients are refusing to go in there in some cases, would she give them some firm direction as to what they ought to do, one way or another, by tomorrow evening?

[2:30]

Mr. Lewis: That's a little unreasonable.

Mr. Speaker: Order.

Hon. B. Stephenson: I believe we have provided some firm direction in the past. At

the moment, we may continue to provide the same kind of firm direction.

Interjections.

Mr. Speaker: Order, please.

Hon. B. Stephenson: But it will require examination of the legal decision today before any direction can be made.

Mr. Grossman: Supplementary: Regardless of how we describe the information in the past—

Mr. Roy: You want it in writing.

Mr. Shore: Tell her you don't trust her; you want it in writing.

Mr. Grossman: The minister will understand that if they have no direction there are going to be employees sitting there who have neither had notices of termination nor will they go out and look for new jobs because they would lose their right to termination notices. They ought to have some direction with regard to a new target date for closing, if the minister intends to continue to try to close the hospital, or some indication that the pressure is off and they are going to stay open. One way or another, would she notify them of the current standing of the situation some time tomorrow even if she hasn't reached a final determination with regard to what she is ultimately going to do?

Mr. Shore: That's a little unreasonable.

Hon. B. Stephenson: If we could be assured that the members of the staff of that hospital would be informed of the information which is sent to the hospital for their information, I would be very happy to do so. That has not happened.

Mr. Lewis: You do nothing right over there.

Mr. Speaker: Order, please.

An hon. member: You don't know what you are doing!

Hon. B. Stephenson: That has not happened upon all occasions in the past. However, we shall make all reasonable attempts to keep the staff of the Doctors Hospital as fully informed as possible as soon as possible.

Mr. Nixon: Supplementary: Since the directions that the minister was referring to have been sent to other hospitals, including the Willett Hospital in Paris, and one of those firm directions was to accept no new active treatment patients after May 1, and because

of the legal situation the hospital has felt constrained to accept those patients, can the minister assure me and assure the board of the hospital that they will receive the regular grants for the care that, because of the strained situation regarding the legality of the situation, they have had to undertake?

Mr. Shore: They don't give them any assurance.

Hon. B. Stephenson: Up until this time?

Mr. Nixon: During this period when the situation is somewhat confused.

Hon. B. Stephenson: I can only say that when we have reviewed the legal decision we shall make the decisions which are necessary.

Mr. Singer: Call the Attorney General and have a legal discussion.

Interjections.

Mr. Speaker: A final supplementary.

Mr. Godfrey: In view of the fact that many of the staff are actively looking for jobs today, would it not be reasonable to give them a guarantee that they should stop looking for jobs, at least until the government can come out with a decision and possibly postpone it for a year?

Mr. Singer: "I can only answer as I did before."

Hon. B. Stephenson: No, Mr. Speaker.

Interjections.

LAKESHORE PSYCHIATRIC UNIT

Mr. MacDonald: I have a question for the acting Minister of Health. May I emphasize that this is not in reference to the child and adolescent psychiatric unit at Lakeshore. My question is, what conceivable justification is there for the Ministry of Health stay order with regard to its closing of those facilities, and ultimate switching of them to 999 Queen St.—a stay order that may be a reversal order? What conceivable justification is there for doing that at this point when there has been a whole year of preparation for the switch?

Hon. B. Stephenson: I do not know all the background for this decision but I shall attempt to enlighten myself about it and report to the House.

Mr. MacDonald: By way of supplementary, I have here a missive that came in a brown

paper envelope from the bulletin board of Lakeshore. The first paragraph reads:

It has now been officially confirmed that the borough of York will be transferred from the catchment area of Lakeshore to that of Queen St. Mental Health Centre.

It is dated April 12. Does the ministry have its studies after it has made its decision? When the whole of the borough has made its plans, they have budgeted in 999 Queen for this year and the staff is prepared to move on June 1, does the ministry then have a study and decide it might reverse it?

Hon. B. Stephenson: The hon. member knows very well because I have communicated with him personally the reasons for a possible change in this area. At his request, we have examined it in the light of the potential change at the Lakeshore adolescent unit. As a result of this question, I shall be very pleased to answer him when I have investigated the entire matter.

SEXUAL CHARGES

Mr. Roy: In the absence of the Attorney General, I would like to direct my question to the Provincial Secretary for Justice and Solicitor General. In view of the widespread publicity given to the homosexual ring case in Ottawa or the white slavery case as it has been called at different times, is the minister satisfied, in the context of the whole administration of justice, with the role played by the press, the police, the Crown attorney's office and the psychiatrists at the Royal Ottawa Hospital? As an officer of the Crown, is he satisfied, for instance, with the 18 charges that were laid, basically on the evidence of one complainant, one main witness, since that evidence now is deemed to be unreliable and yet some accused have been convicted on this evidence? Can the minister look into this situation and does he not feel that a public inquiry is required in this?

Hon. Mr. MacBeth: Mr. Speaker, some time ago, at the request of the Crown attorney in Ottawa, I asked that a member of the Ontario Provincial Police examine some of the questions that my good friend has raised. That examination did take place by a member of the OPP and, as a result, one or two charges are now before the court. I don't like to hide behind the court, as I have done once before today, but I think in the interests of justice I should do so again, sir.

Mr. Roy: Supplementary, Mr. Speaker?

Mr. Speaker: Providing it is not a question that has to do with the sub judice feature.

Mr. Roy: Oh, no, not at all. Because if I may state, Mr. Speaker, just to reaffirm my supplementary—

Mr. Speaker: A supplementary question might be in order.

Mr. Roy: —the sub judice applies only to one incident involving the journalist in the case. My question is generally about the whole process of this case. I would like to ask the Attorney General, in view of the fact that the OPP investigation focused basically on the role of the police, does he not feel it would be worthwhile looking at the role of the Crown attorney's office and the role of the psychiatrists at the Royal Ottawa Hospital? Does he not feel, for instance, that the report prepared by the OPP officer, an Insp. Kotwa, should be made public? Does the minister intend to make that public?

Hon. Mr. MacBeth: Sir, to answer the last question first, no, not at this time. The investigation was not as narrow as my friend suggested it was, and I think much of the information and the matters he's talking about will come out in the hearing of these charges that I referred to.

Mr. Roy: Not at all.

Mr. Cassidy: Supplementary, Mr. Speaker?

Mr. Speaker: A final supplementary. The member for Ottawa Centre.

Mr. Cassidy: If I can just press this particular question, it is not just the conduct of the Ottawa police who originally unveiled the information about these allegations, but also the Crown prosecutor's office, which is responsible to the ministry, in deciding to proceed with the cases. Does the minister not feel that that particular action by the Crown prosecutor's office in proceeding with these cases, which have turned out so disastrously, deserves a full public inquiry?

Hon. Mr. MacBeth: No, I do not. They're reading into some of the newspaper reports certain allegations that I am not prepared to admit.

Mr. Singer: Supplementary, Mr. Speaker.

Mr. Speaker: No, that was the final supplementary. The member for Durham West.

VENEREAL DISEASES IN OTTAWA

Mr. Godfrey: Mr. Speaker, a question to the acting Minister of Health, dealing with Ottawa. There seem to be a lot of questions about Ottawa. In review of reported inci-

dents of VD—gonorrhea—in the city of Ottawa, as reported by Statistics Canada, what steps is the minister taking to bring that matter under control?

Hon. B. Stephenson: Mr. Speaker, as a matter of fact, I have only seen one report from that area which appeared to be somewhat shocking, and the Ministry of Health will, of course, be examining this situation and attempting to resolve the problem of lack of reporting and apparent lack of treatment in this situation.

Mr. Godfrey: Supplementary: Inasmuch as the figures come from the Ministry of Health of Ontario, I query the minister as to whether she has only seen one report.

Hon. B. Stephenson: I have seen one report from Ottawa, sir. That was the statement that I made.

Mr. Philip: Supplementary: Inasmuch as \$34 million was allocated in 1975-1976 for health protection and disease prevention, of which I believe \$144,000 was for venereal disease control, does the minister feel that perhaps it's time that some evaluation needs to be done of the processes that are being used in this area? If so, what kind of action, in terms of evaluating the present programmes, is being conducted by the ministry?

Hon. B. Stephenson: I am sure that the hon. member realizes that it wasn't too long ago that a very serious examination of the processes in this specific problem was carried out and certain recommendations were made, which are in fact being carried out. The programme is being constantly evaluated. This is not, however, a simple issue and I would ask the member to read the publications which one very senior member of the medical profession produced for this province and for this country for a very long period of time, equating the problem of venereal disease with a number of other social problems. I think this will give the member a much better idea of the complexity of the problem of controlling venereal disease.

LOANS TO MILK PRODUCERS

Mr. McKessock: Mr. Speaker, I have a question for the Minister of Agriculture and Food. In view of the fact that farmers who went into the dairy business or expanded their production late in 1975-1976 are in a disastrous position and facing bankruptcy due to not being able to obtain quotas to run efficient operations, in view of the fact that the Ontario government, through IMPIP loans, en-

couraged this situation and in view of the fact that delaying payments for four months will do nothing to alleviate this situation, is the minister prepared to put forth a programme within the next two weeks to ensure these farmers have viable quotas which is their main concern?

Hon. W. Newman: Mr. Speaker, I agree with the member. We do have a problem especially in the industrial milk field throughout the Province of Ontario. We have a similar problem in many other provinces. The industrial milk programme and the quota allocation is done by the government in Ottawa and I want to make that very clear.

Interjection.

Hon. W. Newman: Just a minute. I'm not sloughing off any responsibilities that we have in the Province of Ontario; I want to make that very clear. As far as the IMPIP loans are concerned—they were a good idea and they worked well—we have said that if anybody had an individual problem we would deal with it on an individual basis, and anybody who doesn't want to make the payments on principal and interest in the next four months does not have to do it. I've also said the cut-backs they will take will apply to the forgiveable portion so they won't suffer because of that. I've had meetings with the Ontario Milk Commission; I've had meetings with the chairman of the Ontario Milk Marketing Board and I anticipate the chairman of the Ontario Milk Marketing Board will have something further to say later this week regarding that matter.

Mr. McKessock: In view of the fact that 60 Minto township farmers at a meeting in Harriston and about 500 producers at a meeting at Atwood approved a group of proposals for the provincial government to consider—and I will send them over to him now—would the minister give these proposals his serious consideration in trying to arrive at a solution for the dairy farmers?

Hon. W. Newman: Mr. Speaker, I have already made some proposals to the federal Minister of Agriculture in Ottawa. I've talked to the Liberal agricultural critic about them and told him what I had done as far as Ottawa is concerned. I am very much concerned about the farmers in the Province of Ontario and of course I'll have a look at these proposals.

Mr. MacDonald: May I ask the minister with regard to the four-month moratorium which he announced a week or so ago, how is

that going to operate since the farmers have dealt with the banks? Has the minister instructed the banks or asked them or ordered them to implement a four-month moratorium on principal and interest payments?

Hon. W. Newman: Yes, Mr. Speaker. We talked to the bankers association on the Thursday and I made the announcement on the Friday. They were to be in touch with their banks across the province as quickly as possible.

Mr. MacDonald: Does this involve a payment by the government to cover the banks—which, of course, are always impecunious—for the loss they may sustain?

Hon. W. Newman: All the loans at the bank are guaranteed by the province, as the member is well aware.

Mr. Riddell: I was wondering if the minister has had a reply from Ottawa as to whether the minister there would consider a six per cent reduction in quota rather than the 15 per cent or 18 per cent he's asking for? Has he had a reply from Ottawa yet?

Hon. W. Newman: No. I Telexed the minister in Ottawa, I think—I can't give you an exact date but it was in the past two weeks—suggesting a less severe cutback of six per cent. I also suggested they take the powdered milk on a pro rata basis and give it back to the dairy farmers who are producing it and paying to remove that surplus. I have not heard anything yet.

Mr. Gaunt: Supplementary.

Mr. Speaker: I announced that was the final supplementary. We may come back to it later if there's time.

Mr. Gaunt: Supplementary.

Mr. Speaker: No. Order, please. I said that was the final supplementary. The member for Durham East.

TIME MAGAZINE

Mr. Moffatt: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. In view of the fact that approximately 100,000 people are having their contracts with Time magazine illegally converted to other contracts, what action is the ministry contemplating in order to protect these consumers in the Province of Ontario in the light of these significant changes by Time?

Hon. Mr. Handleman: Mr. Speaker, first of all, it's remarkable that the hon. member knows these have been illegally rescinded before any court decision has been handed down but, of course, that's the kind of judgement he makes. We are looking into this kind of thing to see whether or not the Business Practices Act contains any provision whereby some remedy could be provided. However, I should point out to the hon. member, Mr. Speaker, that the basic remedy which is provided is the rescission of the contract, and Time magazine has already offered that to its customers.

[2:45]

Mr. Moffatt: Supplementary, Mr. Speaker.

Mr. Cassidy: Under pressure.

Mr. Moffatt: In view of the minister's answer, why is it then that a letter written to his ministry over a month ago has not yet been answered by the people in charge of the Business Practices Act?

Hon. Mr. Handleman: Mr. Speaker, I'm not aware of that letter. I'll search it out and inform the hon. member.

CITIZENSHIP OF MINISTRY PERSONNEL

Mr. Eakins: Mr. Speaker, to the Minister of Community and Social Services: In view of the discussions recently having to do with foreign teachers and foreign students in Ontario, could he tell us how many people of American citizenship are involved under his ministry and, secondly, especially at the Huronia Regional Centre?

Hon. Mr. Taylor: I am wondering, Mr. Speaker, if the hon. member would clarify that, insofar as it may relate to people of non-Canadian citizenship who may be employed by my ministry; or is the hon. member referring to persons who may be teaching in some capacity at one of the institutions?

Mr. Roy: Would you unbutton your jacket so that we can see more of your vest?

Mr. Eakins: Mr. Speaker, I was referring to those employed under his ministry, those in any leadership capacity and at the various centres, especially Huronia; people who are involved in the leadership there, or employed directly.

Hon. Mr. Taylor: Mr. Speaker, for the information of the hon. member, the educa-

tional programmes that are run at the institutions, those of a schedule 1 facility, such as Huronia, are conducted under the auspices of the Ministry of Education, with which we have a working agreement. Now, insofar as reviewing the 9,000 employees who work for the Ministry of Community and Social Services and determining where their citizenships might lie, then that's another matter. Again, I'm not clear as to the depth that the member may wish to pursue, because it may be that we have employees in my ministry and presumably in other ministries who do not yet have Canadian citizenship.

GRANTS TO CHILDREN'S AID SOCIETIES

Mr. Deans: Mr. Speaker, a question of the Minister of Community and Social Services. Now that the minister has had about seven weeks to review the most recent budgetary requirements of the Hamilton-Wentworth Children's Aid Society, which asked for 7.2 per cent as an absolute minimum, what is he going to say to them?

Hon. Mr. Taylor: I probably have already said something to them, Mr. Speaker. Most of the budgets have not only been reviewed, but letters have gone out to them. May I point out to the hon. member that, insofar as approval of budgets is concerned, final approval cannot be given until municipal approval is given. In probably most cases now, we have suggested the budget that would receive my ministry's approval, subject to municipal approval.

I may say that in dealing with those budgets on an individual basis, I did take into consideration the budgetary deficits from last year and which, I think, does concern my friend, and also the proportion or costing in that regard that was attributable to the direct daycare cost or direct costs of children in the care of the Children's Aid Societies. So, those matters have been considered and if that particular Children's Aid Society has not received a communication from me, then I would expect that it would do so within the week.

Mr. Deans: One supplementary question, if I may. Can the minister indicate to the House, or will the minister table with the House, the revised budgetary approvals that were given by the ministry for the Children's Aid Societies across the province in order that we can ascertain just exactly how they're going to fare in the current fiscal year?

Hon. Mr. Taylor: Mr. Speaker, I would think that when my estimates are considered in the House, which should be shortly, ample opportunity will be given for members to inquire in regard to the particular budget and budgetary items of all of the Children's Aid Societies, if that is what is requested.

Mr. Lewis: It's like everything else you do. It's all arbitrary. Everything is secret.

Mr. Speaker: Order, please.

Hon. Mr. Taylor: It's not secret at all.

Mr. Speaker: Order, please.

Hon. Mr. Taylor: If the hon. member would like to consult with the various Children's Aid Societies and review their budgets with them, it's all public knowledge.

Mr. Warner: Buy a new shredder.

Mr. Cunningham: A supplementary: In recognizing the interest by the members on this side of the House in Children's Aid Societies and daycare facilities, will the minister provide us with the direction that he is going to be giving them, within the next two weeks I would think?

Hon. Mr. Taylor: Mr. Speaker, if the hon. member would specify the direction that he is referring to I would be happy to accommodate him in that regard.

Mr. Cunningham: The minister just indicated that he is going to be communicating with them—by letter I would think. Would he share with us the direction that his government is going to give them, so that we might act on their behalf as we have in the past?

Mr. Roy: Remember, you're the minister.

Hon. Mr. Taylor: Mr. Speaker, may I say that I've communicated a number of times directly with the 50 Children's Aid Societies in Ontario. I don't propose to give copies of all of my correspondence to the various social services agencies and Children's Aid Societies to all—

Mr. Lewis: Just take the House into your confidence.

Hon. Mr. Taylor: —members of the House. There are some 2,000 social services agencies that we fund directly and probably another 2,000 that we fund in one way or another, so I don't think it reasonable to expect me to send copies of that correspondence to all members of the House.

Mr. Lewis: We will get it anyway. Someone will send it to us.

Mr. Makarchuk: One of the children will send us it.

LOANS TO MILK PRODUCERS

Mr. Gaunt: Mr. Speaker, I have a question of the Minister of Agriculture and Food. Subsequent to the number of questions posed with respect to the industrial milk situation, does the minister have any indication that some of the can shippers in the Province of Ontario are going to give up shipping milk via that route prior to the deadline, which would, in turn, free a considerable amount of quota which could be used by the producers who intend to stay in?

Hon. W. Newman: Mr. Speaker, that matter is being actively considered by the Ontario Milk Marketing Board and it will be making some statements, I'd say later this week.

TRANSPORTATION OF HANDICAPPED CHILDREN

Mr. Foulds: Mr. Speaker, a question of the Minister of Education: What possible reason and explanation can the minister give to the person who wrote him a letter from Thunder Bay, dated May 3, which described the incident that took place on Air Canada flight 352 in which approximately 12 children—some of them multi-handicapped and all of them deaf—were returning unaccompanied from Thunder Bay to the school at Belleville, which I believe is under the direction of this ministry? What reason or explanation can he give for that group being unaccompanied?

Hon. Mr. Wells: I don't have any knowledge of that, Mr. Speaker. I'll have to look into it and I'll tell the hon. member the reason, or if it occurred or if it should not have occurred, and why it happened.

Mr. Foulds: A quick supplementary, if I might: Would he have his ministry officials bring letters like this to his attention much more quickly, and would he not agree with the writer of this letter that it is a shame that children with special needs have to travel so far from their families, and if it is necessary it should be done with the same care and compassion that one would have for one's own children?

I might indicate that on that flight one of the children had a severe emotional attack and there was no one on the flight who was able to cope with it.

Mr. Speaker: You're supposed to be brief.

Mr. Foulds: There were no trained personnel.

Hon. Mr. Wells: I think my friend is being a little unfair, Mr. Speaker. A letter dated May 3, which is a week ago today, probably arrived in our office sometime Wednesday, and as you know we've been slightly busy in this ministry since last Tuesday and Wednesday, and the mere fact that it hasn't come to my attention doesn't mean that someone isn't very concerned about it in the Ministry of Education and, indeed, investigating just what has happened. In fact, something maybe happening without my knowledge, because we had been busy in this House with the Windsor teachers situation, as my friend knows, up until Friday morning.

The other thing is that part of the responsibility in transporting pupils from the school for the blind back and so forth, rests with the local school board. They have certain responsibilities in this area too, and I'd have to look into it to see just who should have been shouldering the responsibility.

It must be remembered that one of the steps forward we made with pupils at the schools for the blind was to arrange for them to be able to get into their home community and back again much more frequently than they ever had in the past. If proper steps are not being taken to take care of their interests during these trips, I'm sure that that will be taken care of. The member for Port Arthur is being a little unfair in suggesting that I should have seen that letter.

Interjections.

Mr. Speaker: Order, please. We just have time for one more question. The member for Wilson Heights only.

SEXUAL CHARGES

Mr. Singer: I have a question of the Solicitor General and Provincial Secretary for Justice, further to the question put to him by my colleague from Ottawa East (Mr. Roy). In view of the fact that in at least one case in this series of situations which my friend talked about, one person was convicted after a non-guilty plea, on the basis of evidence given by a person who was later deemed to be such an unsatisfactory witness that all other charges were withdrawn, and there was a conviction in this particular case; in view of the fact that the police investigation turned up things that warranted the lay-

ing of certain charges; and in view of the fact that the judge—

Mr. Speaker: Order, please, will the hon. member shorten his question?

Mr. Singer: —who made the conviction in this case—

Mr. Speaker: Order, please, there is too much time being wasted here.

Mr. Singer: —was the head of the police commission, should there not be a public inquiry into this whole series of very unusual and tragic circumstances that took place in Ottawa?

Mr. Roy: Accept your responsibility for a change.

Hon. Mr. MacBeth: As I said earlier, I thought there were certain allegations being made or assumed that I wasn't prepared to admit; one of those was in regard to the ability of the witness to give evidence. Whether or not there will be need to carry this investigation further and to make it more public after the two charges have been dealt with, I don't know, but I'll certainly follow it up.

Mr. Singer: The charges are about police brutality. The allegations are about the ability of the Crown.

Hon. Mr. MacBeth: The member doesn't know, with all due respect, what kind of evidence will come forward in those charges that it had reference to. After they have been heard, I will be prepared to look at it further.

Mr. Singer: They were beaten up by the police; that is all.

Mr. Speaker: Order, please. The oral question period expired two minutes ago.

Mr. Lewis: Mr. Speaker, on a point of order, has the Provincial Secretary for Justice and Solicitor General no intention of making any comment on the RCMP raid over the weekend? Can't you make him do that before the orders of the day?

Mr. Speaker: Order, please.

Petitions.

Presenting reports.

Hon. Mr. Handleman presented the annual report of the Registrar General for the year ending Dec. 31, 1975.

Hon. B. Stephenson tabled the interim report of Judge Waisberg on the public inquiry into Laurentian Hospital.

Mr. Speaker: Reports.

Motions.

Hon. Mr. Welch moved that private members' hour for Monday, May 10, be held at 5 o'clock on Tuesday, May 11.

Motion agreed to.

Mr. Speaker: Introduction of bills.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch: Before the orders of the day I would like to table the answers to questions 23, 24, 26, 28, 57, 61 and 62 standing on the notice paper. (See appendix page 2147)

POINT OF PRIVILEGE

Mr. Lewis: Mr. Speaker, I would like to rise on a point of privilege before the acting Minister of Health leaves the House, if I may, just for an explanation. I believe it's in order. Are you not supposed to rise on a point of privilege at the moment that something is drawn to your attention?

Mr. Speaker: You're in order.

Mr. Lewis: I have before me the interim report the minister just tabled of Judge Waisberg, the commissioner. In the recommendation he indicates the three points that he wants followed in the appointment of the new board for Laurentian Hospital. Nowhere do I see him say that Mr. Lebel should be a member of that new board. Can the minister explain why she insisted that that was so in the House, or am I reading it incorrectly? [3:00]

Mr. Speaker: It is really not a point of privilege.

Mr. Lewis: It was a specific response to the question that was put. Well, maybe the minister could get the reply.

Mr. Speaker: I think that would be more in order.

Orders of the day.

CITY OF THUNDER BAY AMENDMENT ACT

Mr. Norton moved second reading of Bill 78, An Act to amend the City of Thunder Bay Act, 1974.

Mr. Foulds: Mr. Speaker, I wonder if the parliamentary assistant to the Treasurer has an opening statement to make before we proceed with the debate.

Mr. Norton: Yes, Mr. Speaker, if you wish I can do that either now or later.

Perhaps by way of explanation for this particular piece of legislation and the nature of it, I would point out that it is my understanding that in 1974 this Legislature, at the request of the city of Thunder Bay, passed an Act authorizing Thunder Bay to proceed with the preparation of a request for redesigning the ward boundaries throughout the city. As I understand it, that legislation at that time provided that they would proceed with the preparation of the request and make a request to the Ontario Municipal Board for approval prior to Dec. 31, 1975.

During the year 1975 and the balance of 1974, I understand they proceeded with the study of and the preparation of the new ward boundaries—

POINT OF PRIVILEGE

Mr. Lewis: On a point of order, Mr. Speaker. I am sorry, Mr. Speaker, but I am standing on a point of privilege because I am really distressed about this—and I want an explanation of it, because we have had an awful lot in the House. I am looking at the letter which was conveyed by Commissioner Waisberg to the government on the Sudbury hospital dispute, and I am reading a sentence which says:

In case these recommendations have not set it forth clearly, it is emphatically my view that no person who served as a member of the Laurentian Hospital board or who presently is a member of the Laurentian Hospital board should now be appointed a director pursuant to your powers. Now, I want to understand why we got the kinds of answers we got from the acting Minister of Health on successive days in this Legislature. And I ask you, Mr. Speaker, to look at it personally. I am asking on behalf of my Sudbury colleagues, who are not here today.

Mr. Speaker: Yes, I will look into the matter and any feature which I have to comment on, I certainly shall. Thank you. Now, the hon. member for Kingston and the Islands.

CITY OF THUNDER BAY AMENDMENT ACT

Mr. Norton: Thank you, Mr. Speaker. The city of Thunder Bay had prepared their re-

quests for the Ontario Municipal Board approval by the latter part of December of 1975, and at that time they submitted their requests to the Ontario Municipal Board. The board constituted a hearing for early in March of 1976. At the hearing, I might point out, there was an alternative proposal advocated by a group of citizens in the city of Thunder Bay. The city's application was for approval of a seven-ward system, with the citizen's group requesting consideration for a 12-ward system, I believe.

Following the Ontario Municipal Board decision, at which time they approved the application of the city for a seven-ward system, the appeal period began. During that period of time, technically, the city was not in a position to present to the assessment commissioner the up-to-date ward boundaries so the assessment commissioner could begin to prepare the electoral information for the 1976 municipal election.

The appeal period for the Ontario Municipal Board decision expired following April 1. As you may be aware, Mr. Speaker, the Municipal Elections Act requires that the municipality or the clerk of the municipality present to the assessment commissioner the up-to-date electoral boundaries by April 1 of the year in which the election is to be held.

As a result it was technically impossible for the clerk of the municipality of Thunder Bay to comply with the provisions of the Municipal Elections Act. Therefore, we have prepared this amendment, which would have effect for this year only, to extend to May 15 the period during which Thunder Bay can provide the commissioner with the necessary electoral boundary information.

I expect that at this point it has already made that information available to the commissioner and, in effect, this merely would validate the municipality's actions so there is no way by which the validity of the elections in 1976 could be challenged subsequently for failure to comply with the Municipal Elections Act.

Mr. Foulds: Mr. Speaker, I do appreciate the explanation given by the parliamentary assistant. I think it will be necessary for us to go into committee on the bill because there are a number of specific questions I want to raise.

It may, unfortunately, disturb some members of the Legislature but I want to deal with it in a bit of detail, if I may, this afternoon because it is with some reluctance that I rise to support the bill. I do rise to support the bill as does my colleague from Fort William (Mr. Angus).

I think first of all I would like to point out, perhaps in committee if I might, the bill is significant for what it does not contain. It does not contain the section which was in at least one of the previous internal drafts of the ministry of the bill which dealt with the Thunder Bay Hydro controversy. I think there are probably very good reasons for that and I think it would be helpful if the parliamentary assistant could, even briefly, give an account of those reasons at the summing up.

Secondly, it does not contain wording, as I believe one of the internal wordings of the ministry for this particular clause did, which would have given the minister the power to direct a 12-ward system. I believe in one of the drafts originally there was wording which would have allowed the minister to direct a 12-ward system.

Very briefly, I want to summarize some of the history. What it does contain, as I understand it and as the parliamentary assistant has explained, is permission to break the Municipal Elections Act for this time only to meet the technical requirements. I think that's why we support the legislation. I think it would be helpful if a clause could be introduced which would spell out clearly that it is limited to this year only. That isn't in the bill as it presently exists.

I want, very briefly, as briefly as I can, to outline the whole history of this matter without repeating some of the remarks I made in June, 1974, when the previous amendments, as the parliamentary assistant mentioned, was brought before the House. First of all I personally support and I believe the majority of people in Thunder Bay support a 12-ward system. The OMB decision was for a seven-ward system. There's been a community battle to establish a 12-ward system since the city was first established. It has been consistently opposed by the local establishment—the Chamber of Commerce, the Conservative Party network and by the majority of local aldermen. I recognize the whole argument about the majority of local aldermen being as representative as we are and I admit that. That's one of the reasons we are supporting the legislation reluctantly.

All this opposition has been to the establishment of the 12-ward system in the face of public opinion. I commend to the parliamentary assistant and the Liberal Party a series of columns written by a very acute city hall reporter, Rita Ubriaco, who was a candidate for the Liberal Party back in 1971, which trace the whole history of this question. She was one person who initially op-

posed the ward system then came to an understanding of it and supported the 12-ward system. I've read some of those into the record in the past and I won't do so here but the transfer of the knowledgeable position of a person like her, Miss Ubriaco, who moved from someone favouring the at-large system to the ward system, I think, is revealing.

What bothers me is that what the city submitted to the Ontario Municipal Board was a design for a seven-ward system but what was actually submitted to the OMB was not even the seven-ward system approved by council through resolution. It was modified, albeit somewhat slightly, by the city planner and it was this subsequent seven-ward system that was approved by the OMB.

I want to use this occasion rather blatantly, which I have in legislative terms, to make some observations about the history of that ward system and about the conduct of the OMB hearing in Thunder Bay, large portions of which I attended. I think they speak to the principle of the bill if we, in this Legislature, are going to bring in pieces of legislation which deal with individual municipalities.

Basically, for the information of the members let me point out that the seven-ward system is a system which allows for the election, as it has been submitted to and approved by the OMB, for two aldermen from each of five city wards—that is five wards within the old cities of Port Arthur and Fort William. The old city has been divided into five wards and two aldermen are elected from each of these wards. They must be resident in their wards and they are elected only by the people in those wards. That is a basically sound principle, I submit. The other two wards—rural wards—elect one alderman each.

As I say, that's progress. That's better than the present—I used the term in 1974 and I'll use it again—sort of bastardized at-large ward system. That's progress but I'm just a little bit tired of being a gradualist—being faced with these gradual improvements.

Briefly, because I think it is typical, if one likes, of the reasonable, thoughtful, constructive objectors to the seven-ward system, I want to read two pages of the social planning council's brief to the OMB. "The Lakehead social planning council recommends (a) a 12-ward block system be adopted for the city of Thunder Bay; (b) that one alderman per ward be elected from within each ward—

Mr. Good: This is all out of order, Mr. Speaker.

Mr. Foulds: Sorry?

Mr. Good: This is all out of order. The bill has nothing to do with this.

Mr. Foulds: If you will forgive me, Mr. Speaker, it is perfectly in order because the effect of the amendment we are passing today is to allow the implementation of the ward system I'm describing.

Mr. Good: Which is carried out in the original bill to which this is an amendment.

Mr. Foulds: No, that's not so, Mr. Speaker; that's why we need the amendment.

Mr. Speaker: Order, please.

Mr. Foulds: That's very much why we need the amendment.

Mr. Good: Wrong.

Mr. Speaker: The hon. member will present his case and the hon. parliamentary assistant will reply.

[3:15]

Mr. Foulds: Thank you, Mr. Speaker. To continue:

(c) that each candidate be a resident of the ward in which he or she seeks election prior to the election; (d) that the mayor be elected at large; (e) that this system be approved by the Ontario Municipal Board in time for the next Thunder Bay municipal election.

The Lakehead social planning council objects to the present seven-ward proposal approved by city council in a narrow seven to six vote because:

1. It is not the design the majority of citizens of Thunder Bay favour, as shown in two separate studies;

2. It gives the two areas of Neebing and McIntyre the special privilege of being the only two wards with one representative each. This discriminates against the rest of the city;

3. It makes the groupings of neighbourhoods too large and weakens the neighbourhood concept;

4. It was chosen arbitrarily without citizen involvement; and

5. It is not supported by any research as to its workability.

We request approval of the 12-ward block system because:

1. It embodies the neighbourhood concept. Within the city there are distinct neighbourhoods with a strong sense of identity. Studies show that where strong neighbourhoods are encouraged to develop there is an increase in public participation in the life of the community.

2. Citizens will have a specific alderman to contact in each area;

3. It gives citizens a greater chance to get to know the person they are voting for;

4. In case of an extended absence of an alderman, the mayor would be able to act as an alderman at large;

5. Running for office within each particular ward will be less costly, encouraging less affluent citizens to run for office;

6. Citizens will be able to assess the performance of a particular alderman more effectively;

7. In general it will increase citizen involvement in the municipal government; and

8. Two separate studies, one of which was commissioned by the city, indicate strongly that the majority of citizens are in favour of this particular system.

We make this submission in good faith and trust that it will receive your most careful consideration.

I want very briefly to trace the history so that the House can understand why we are considering this particular amendment.

On Nov. 15, 1971, a petition of the people of Thunder Bay, containing 870 signatures, was sent to Mr. Morris, the city clerk of Thunder Bay, by the Thunder Bay Citizens' Association, requesting that the council petition the Ontario Municipal Board to establish a true ward system in the city. The true ward system was described in the petition as being,

A division of the city into at least 12 geographic units of approximately equal population, following as closely as possible, neighbourhood boundaries—such as Neebing, one ward; McIntyre, one ward; Thunder Bay P, five wards; and Thunder Bay F, five wards—and that each ward be represented on city council by one alderman who is resident of the ward from which he is elected by the residents of the said ward.

The reason I am going through this, Mr. Speaker, if you are somewhat puzzled, is to indicate why we have arrived at this time, needing this special amendment to the City of Thunder Bay Act to allow for the extension. It is my contention that the city council procrastinated on this for a period of some

four to five years, before we even achieved this kind of progress.

A motion was put before council on Oct. 24, 1972, concerning a plebiscite on the ward system by the city of Thunder Bay, and no support was elicited from council for this plebiscite. It was not until Dec. 2, 1974, that a plebiscite was found on the municipal ballot, and the wording of this was, "Are you in favour of electing members of council to office by a ward system?" I submit that that wording was deliberately vague, as the city council objected to any kind of ward system at that time. It is important to note that of the 36,047 people who voted, 25,607 of them endorsed a ward system; that is a ratio of approximately 2.5:1 in favour of a ward system.

The city council struck an ad hoc committee, back in 1972, to study and report back to council on the ward system. What puzzles me is that they did not bring in more concrete recommendations before the plebiscite was actually put on the ballot so it could have been more clearly defined for the electors and we would not be having to do this at this point in time.

In the municipal election in 1972—I need not go into those details, Mr. Speaker; I will skip over that. But during the month of January, 1974, an advertisement was inserted in local newspapers, inviting the electorate of the city to submit options on the ward system to the city council. Many people responded to that; and as a result of those presentations, a motion was passed by the co-ordinating committee of the city council on March 26, 1974, that a plebiscite should be placed before the electorate in the December elections of 1974. But what was interesting is that committee motion actually had this quote in it: "That a specific proposal for a ward system be prepared for the electorate to express their opinion on."

And that is important, because if that had been done during the elections of December, 1974, we would have had a clearly defined position of city council that we would not be in the position that we are today with this legislation.

The three readings were given to a by-law authorizing the plebiscite to be placed on the December, 1974 elections on Oct. 27, 1974, but the wording of the actual motion passed by city council and the bylaw was far more vague than the actual recommendations from the co-ordinating committee. I might point out that the co-ordinating committee are the entire members of council, as

is the city council; it is just like our committee of the whole House.

The history of the Act is, of course, fairly well known to the parliamentary assistant and extremely well known, I know, to my friend, the member for Waterloo North (Mr. Good), so I won't go through the history of the amendment in the Act as it has affected us. What I want to underline is that the city council of Thunder Bay really responded only after three years of inactivity to the citizens' positive support of the ward system. On Tuesday, April 15, 1975, an ad hoc committee, known as the ward committee or committee No. 16, was established.

The committee had been established previously, but on that date they delegated to the city clerk the responsibility of preparing three alternative designs. That was endorsed by council as a whole on May 12 and the study was commenced on May 13 by Mitchell Kosney, the research director. The design committee was composed of Mr. Morris, the city clerk; Mr. Thompson, the director of planning; and Mr. A. G. McKitrick, the city solicitor.

Mr. Kosney presented his report to the city clerk on Aug. 22, 1975, and the committee as a whole presented a report to council on Sept. 23, 1975, to ad hoc committee No. 16.

There were two other surveys being carried on—one by an opportunity for youth grant and one by Bill Morgan, an alderman in the city who was the unsuccessful Conservative candidate in the last provincial election. He is a fine fellow by the way—a personal friend of mine.

All three of those surveys were strongly oriented towards wards electing individual aldermen in individual wards. All three of the surveys indicated that. Statistically, for example, 33 per cent in the Kosney survey preferred the 12-ward system; 19 per cent a six-ward system; two per cent preferred a four-ward system; three per cent preferred some other ward system. That is taking out, of course, the extrapolation of those with no opinion and those who rejected the ward system altogether.

So, if you use those statistics as your 100 per cent figure you would find that far more supported the 12-ward system. The OFY study was based on a random sampling that was scientifically accurate using the B/A lock technique, which is recognized as one of the more sound samplings of that type. The figures were very similar—30 per cent preferred a 12-ward; 22.4 per cent preferred

a six-ward system; and 10.6 per cent preferred a four-ward system. What was interesting in all this, it seems to me, is that throughout the discussions no mention was ever made of a seven-ward system during the three or four years of the history, and that is what we finally arrived at. The city council initially tried to implement a four-ward strip system, and only 15 per cent of the population supported that. After considerable public opposition, through the press and other methods, the co-ordinating committee of council referred that decision to establish a four-ward strip system back to ad hoc committee No. 16 for reconsideration. At this point there were some shenanigans at Thunder Bay where they limited the seating capacity of city hall and a new fire regulation came in so that what had been a 200-seat auditorium suddenly became a 100-seat auditorium; it was at this time, on Nov. 12, 1975, that the ad hoc committee adopted a seven-ward system.

I think the city council's decision was taken in the face of the three studies which showed that the majority of the population favoured a 12-ward, one resident alderman system; and be that as it may, I want to go on record that this is only a partial step toward establishing a true ward system and that the seven-ward system is a politically expedient compromise for members of city council. What is most disturbing to me is that it does not rest on an in-depth study as did the other three alternatives. Although I would have objected just as strenuously to the ones that I didn't personally favour, at least the other three alternatives had been researched and the basis for them had been compiled in the three different reports that council had in front of it.

Then we got to the OMB hearings, and I must admit I have a date missing of the exact OMB hearings, although I've got it in my diary here because I attended on two of the three days. I think it is fair to say that in spite of the overwhelming weight of evidence at the hearing, presented by the citizens of Thunder Bay and not just by the 12-ward committee, of the desire of people for a 12-ward system, the OMB made a decision favouring the city's application.

I want to stress that the city's application was not actually the resolution that was passed by the elected members of council. The city's application was a seven-ward system designed by the city planner, because he did not approve of the seven wards designed by the elected members of council. That was brought up at the OMB hearing. What really

disturbed me about the OMB hearing is that it seemed to the citizens of Thunder Bay, and it seems to me, that what the OMB hearing did was to give a facade of democracy rather than a genuine opportunity for the appeal procedure in the Act to actually be an appeal procedure. What the OMB decided on was on what a couple of key people in administration of the city council saw as a workable compromise which they could live with administratively. Not only that, the proposal for a seven-ward system was only passed seven-six by council. None of the elected aldermen or the mayor who voted for that system appeared at the OMB hearing to present the city's case; they let the case be presented by the administration only.

[3:30]

I can see the necessity for it being presented by administration for technical detail but I think the justification, in political and philosophic terms, should have been by the elected representatives. In this House, for example, we don't have the deputy minister or the assistant deputy minister answer questions for the minister. He answers the questions even though they may prepare the answers or supply the necessary technical detail. I think it was dereliction on the part of the city council of Thunder Bay that the elected representatives who voted for this did not appear before the OMB.

The OMB decision in this case certainly reminds me of a play recently performed here in Toronto, "The Hearing," which was about an OMB hearing. The first thing that happened in that hearing—the chairman and the one other member of the board who was there certainly gave the impression of listening carefully, of being very suspicious of the weaknesses in the case being presented by the administrative officials of the city of Thunder Bay and all of that kind of thing, was it led the people in the audience—there was a certain raising of eyebrows and whispered conversations behind hands—to believe that the OMB was seriously considering this.

In the last day-and-a-half it was obvious that the bias of the OMB was toward allowing the seven-ward system as submitted by the administration of the city of Thunder Bay to be passed. As one example of that, there were constant interruptions by the chairman of the OMB when the lawyer representing the 12-ward committee summed up which did not happen in the summing up of the city solicitor.

I submit this can only lead to cynicism on the part of the citizens. Why go to the bother of presenting a fairly detailed brief—which a number of groups and individuals did—if they are going to be so summarily dismissed and if the explanations of the discrepancies in the city's position are not going to be alluded to in the judgement of the OMB.

In summary, I think we support the legislation because the people of Thunder Bay want a ward system of some kind, even though it may be a seven-ward system, for the coming December election. We must pass this amendment at this time to meet the technicalities referred to by the parliamentary assistant because of the procrastination of the city of Thunder Bay. I think that's a little bit of an abuse of the legislative process.

I think, somehow, that this bill, in a strange kind of way, indicates the importance of a freedom of information act such as has been placed on the order paper by my colleague, the member for York South (Mr. MacDonald). There has been some wheeling and dealing behind the scenes both with city council officials and with the Thunder Bay Hydro officials. I think we do an injustice to this Legislature by bringing in a bill arrived at because of some of that wheeling and dealing and because of the incapacity or the inability of the government to reconcile some of the conflicting interest groups behind the scenes.

I think it would be much more easily passed—this kind of bill—and the whole question of unity in the city of Thunder Bay would be much better served if there was far more openness between the council and the government, between the government and the opposition members who represent the city, and between the aldermen and the opposition members who represent the city. I don't doubt the invidious position the parliamentary assistant and his minister are put in by some of the aldermen of the city of Thunder Bay vis-à-vis the two opposition members who represent the city.

As I say, we will support the bill because I believe it achieves a step along the road to a good electoral system in Thunder Bay. I think one of the references to the Municipal Act is made because one of the wards they are proposing will contravene that section of the Act which says wards can't contravene provincial electoral boundaries. I believe the McKellar ward will span the Fort William and the Port Arthur constituencies and I think that's one of the reasons for that. We can talk about that perhaps in a little bit of detail

with just a few questions in the committee stage.

I appreciate this opportunity to speak at this length on the bill. As I say, I had spoken at great length in June, 1974, when the previous amendments came up. It is a matter that is of continuing concern to the citizens of Thunder Bay. It's an important kind of bill because it typifies the juncture and the relationship between municipalities and the provincial government and our divided and different responsibilities in a way that few other bills do. In spite of the reservations, I suppose you could say, Mr. Speaker, I support the bill seven-twelfths because seven-twelfths of a vote is better than no twelfths, although it's not as good as twelve-twelfths.

Mr. Good: I'd like to say a few words on the bill, mainly to point out how much of the previous speaker's dialogue was out of order.

The Thunder Bay Act, 1968-1969, as amended in 1972 and also in 1974, allowed the wards as set out in the Act to be used in the 1974 election. The city council was then, in 1975, to apply to the OMB either to confirm that ward system or was given power under the original Act to change that ward system as it saw fit. This was carried out and there was an OMB decision on it. Unfortunately, it was handed down late. It was not until March 31 of this year that the order came down which did not give the clerk of the municipality time to make his return to the assessment commissioner.

All this bill does is to extend the time for the return by the clerk of the municipality to the assessment commissioners, from April 1, I believe, to May 15. The member for Port Arthur may very well disagree with how the wards were set up, but that is not the concern of this Legislature today in the provisions of the bill itself. Maybe he does not agree with the provisions of this bill, but that is another debate.

What we must bear in mind here is that the Act was carried out and the OMB came down with a decision. Whether or not the proper people appeared before the OMB to have the wishes of the people heard or not is not relevant to the debate on this bill, although it's an interesting topic, I'm sure. The whole Hydro issue up there, the hassle between the public utilities commission and the municipality, is another very interesting dialogue going on in Thunder Bay, one which may never be resolved except in the courts and one which almost reared its ugly head in this bill and had ominous projections all

across the Province of Ontario if that particular thing had been legislated to a close.

We support the bill because we see no other way whereby the polling divisions could be set up prior to May 15. The clerk of the municipality does need that length of time to make his return to the assessment offices.

Mr. Speaker: Do any other hon. members wish to speak to this bill? The hon. parliamentary assistant.

Mr. Norton: Perhaps at the outset of my response I might just say I hope that the hon. member for Port Arthur (Mr. Foulds) in his reference to the wheeling and dealing was not referring to my very sincere efforts to be open in consultation with the people, the elected representatives, of the city of Thunder Bay.

Mr. Foulds: No, not at all.

Mr. Norton: I would also add that I went up perhaps with my eyes closed. I didn't realize there was such a conspiratorial group of Tories up there. In fact, I don't even know who among the members of the city council I met were Tories. Perhaps before I visit his city again I will check with him just to be sure who I should watch out for.

Mr. Foulds: Not only that, I will tell you the good ones and the bad ones—ones you can trust.

Mr. Norton: Yes, that's what I mean.

I appreciate the contributions the hon. member has made in terms of fleshing out some of the history of this particular matter. Both he and the hon. member for Waterloo North have been familiar with this for a longer period than I. I do think, though, that many of the matters that were raised relate quite directly to the hon. member's opinion and impression of the way in which local elected officials have dealt with the matter over the last several years, and I am not sure that is something upon which I am prepared to comment at this point.

Whatever his impression may be, the intent of this Legislature back in 1974 was to afford the city of Thunder Bay the opportunity to redesign their ward boundaries or establish a new ward system. If the majority of the residents of that city, as the hon. member believes, are in opposition to what has been developed from this exercise, then I hope that the new system—if it is in effect this December, as it likely will be—is such that it does not interfere with the democratic process so drastically that they will not be able to express their opinion on that matter directly to the local aldermen in December.

Mr. Foulds: Unfortunately, that is what it does.

Mr. Norton: As has been pointed out by the hon. member for Waterloo North, basically what we are dealing with here is taking a step, subsequent to the Act of this Legislature in 1974, to ensure that Thunder Bay can proceed this year with a valid municipal election. If the citizens had reservations about either the way in which the municipal officials dealt with the matter or, I suppose, even the Ontario Municipal Board, the opportunity did exist for an appeal to that decision. I might add that one of the reasons the matter was delayed on our part was that we too were waiting to see how much time might be required, because we were equally prepared to act to recommend legislation to the House to enable the implementation of a 12-ward system as against a seven-ward system. There certainly is no bias on the part of the ministry or this government as to the system that might be chosen by the citizens or by the elected representatives of those citizens in Thunder Bay.

Mr. Foulds: You mean you would accept amendments from me in committee which would implement a 12-ward system?

Mr. Norton: I said we have no particular bias. We might not be willing to go contrary to what has been done at this stage by the duly elected representatives of the people of Thunder Bay.

I have just one very brief response to the member's question initially with regard to what was omitted here, rather than what was included; that relates to the controversy between the Hydro commission and the city.

It had originally been my hope that when this legislation came before the House, it could have been a package containing both the portion that is before us and a proposed resolution of the controversy between the Hydro commission and the city. As I think the members realize, the other matter is considerably more complex in terms of the issues that it raises; in spite of that, I had hoped we might be able to have a proposal before the House at this time. Recently, I have had some additional legal opinions from the legal services available to the government which have raised another issue that has caused us to delay the matter at this point in time. Otherwise, I would have hoped that it could have been resolved by the Legislature with this bill.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading? Committee of the whole House?

Mr. Norton: If that is the wish, yes.

Mr. Speaker: Committee of the whole House, so ordered.

[3:45]

Clerk of the House: The second order, House in committee of the whole.

CORPORATIONS TAX AMENDMENT ACT

House in committee on Bill 45, An Act to amend The Corporations Tax Act, 1972.

Hon. Mr. Meen: Mr. Chairman, I will propose a number of amendments to sections 16, 18, 19, 20 and 22. I have given a copy of the proposed amendments to the hon. member for Perth (Mr. Edighoffer) and the hon. member for Riverdale (Mr. Renwick) on behalf of their respective parties; and I believe, Mr. Chairman, the Clerk has a copy of them at your table.

Mr. Chairman: The hon. minister indicates he has an amendment to section 16 of the bill. Are there any comments prior to section 16 of Bill 45? The hon. member for Riverdale.

Mr. Renwick: Mr. Chairman, I would ask the Chair and the members of the committee to be patient while we work our way through this bill. It is a bill which, of course, relates very much to complementary provisions of the Income Tax Act of Canada. I think I would like to go through it clause by clause, without taking up any undue time, but I would like to have from the minister as accurate a statement on certain sections of the bill as he sees fit to give. I have no comment on section 1 of the bill because it is complementary to section 11 of the bill and we can deal with that part of it when we reach that section. It simply relates to small business credit and we can deal with it more appropriately when we get to section 11.

Section 1 agreed to.

On section 2:

Mr. Renwick: Mr. Chairman, I think section 2 and section 4, so far as we are concerned, simply show that there must be included in calculating income for corporations subject to this Act any amounts that are received either under the Ontario beef/calf income stabilization programme or under the Western Grain Stabilization Act of Canada.

Section 4 simply allows for the deduction of any fee or levy paid to those two funds, and I don't think we need make any further comments about section 2 or, when we come to it, section 4.

Section 2 agreed to.

On section 3:

Mr. Renwick: Section 3 does deserve some significant explanation by the minister simply because, as I understand it, this section and section 8 confer a benefit on corporations which are subject to the Act and entitled to the benefit of section 3 and of section 8; I would think the comments on section 3 and section 8 could go hand in hand. I am not passing any value judgement on whether or not the benefits should or should not be granted, but I do think the minister should give expression to the reason why depletion allowance is not taken into account to reduce the capital cost allowance or the base upon which depreciation is charged and why, which of course is a benefit to the corporation because the higher the capital cost allowance base the greater the amount of depreciation which may be charged.

Under section 8, if the Chairman will allow me to deal with it because of its correlative nature, it means that the capital cost of the property, the cost of the property for capital gains tax purposes, is also not reduced and, of course, that is a benefit conferred on the corporation. The change, Mr. Chairman, is interesting and I think the House would be interested in it. The reference is to a deduction allowed from the capital cost allowance for depletion; of course it reflects the very significant change which will take place at the end of this year.

I'm correct on that, am I? It is at the end of this year?

Hon. Mr. Meen: Mr. Chairman, if I understand the member correctly, he's asking for the effective date?

Mr. Renwick: Yes.

Hon. Mr. Meen: The effective date for this section is Nov. 19, 1974, which was the date when the comparable federal provision came into effect.

Mr. Renwick: Right. Perhaps this needs a little bit of correction. As I understand it, the earned depletion allowance about which we are talking will come into effect at the end of 1976 and the present depletion allowances will cease to apply at the time.

Hon. Mr. Meen: With respect, Mr. Chairman, I find myself in disagreement because it's my understanding that this section, if we're looking at section 3, the provisions for the alterations come into effect as of Nov. 19, 1974, to parallel the federal provision.

Mr. Renwick: I think that's the date it came into the federal Act, but I think the applicable date is actually after Dec. 31, 1976. I'd like to make this comment and then I think we can deal with it. When we come to the question of the depletion allowance—and of course nowhere in either of the Acts is the term depletion used—what we are really saying is that because of the wasting nature of the asset it has been advisable for both economic reasons and for tax reasons to allow a deduction in calculating the income of corporations because of the wasting nature of the asset. Until the present time, and indeed I believe until Dec. 31, 1976, they're going to use the old method of depletion and at the end of Dec. 31, 1976, the old measure of depletion is going to be replaced by the earned depletion base, which was one of the basic recommendations of the Carter commission; it came through the white paper proposals and was ultimately incorporated in the federal Income Tax Act but comes into effect at the end of this year.

My basic and fundamental wish is to make certain that we do understand that so far as this province is concerned we're basically talking about the depletion allowance as it applies to a mineral resource, that is minerals excluding industrial minerals. It basically applies to the processing of ore from a mineral resource to the prime metal stage or its equivalent and doesn't apply to timber limits, simply because no regulation has ever been passed to make it apply to timber limits. It does apply, of course, to oil and gas wells but that, unfortunately I guess at this point in time, is not a problem of ours in Ontario.

When one allows a significant deduction of \$1 for every \$3 expended in certain approved categories of expenditures by corporations from their income, you are conferring a significant and substantial benefit on those corporations. At the same time you are saying to those corporations that even though you have been entitled to this deduction because of the wasting nature of your asset and to reflect in symbolic terms the depletion of that asset, nevertheless you're allowed to continue—you're not required to deduct it for the purpose of your capital cost allowance. I think that's the first and fundamental question I want to put before you.

The second one is so that the record will clearly show that we are changing the basis upon which the depletion allowance will be granted as at Dec. 31, 1976. I am not going to go into it in any great detail. All of the technical tax books deal with it but I do think it is important that we have the record in this House show that we understand exactly what we are doing insofar as our mineral resource industries are concerned.

Hon. Mr. Meen: The hon. member has asked a number of questions. I am not sure that I can answer as fully as I would like, particularly with respect to his suggestion about the change of calculation method. It may very well be that that could be at another date. But the effective date for the purposes of this section is still Nov. 19, 1974, and parallel with a similar federal amendment.

The member was asking me to state clearly for the purposes of the House what it is proposed to do, and I think he really stated it reasonably well himself. It is our intention to state as clearly as possible that where a corporation is paying federal earned depletion allowance—and I emphasize federal earned depletion allowance—the capital cost of depreciable property isn't to be reduced in respect of that same allowance. Where they have claimed the one, they cannot reduce the other.

Although the federal earned depletion allowance isn't meant to be an investment allowance, in some cases it could be construed as such. Therefore, it is necessary—and that is what this section does—to provide that the capital cost of depreciable property will not be required to be reduced by the amount of any federal earned depletion allowance claim. How they are calculated I don't know. I don't know whether they are proposing to change them at the end of this year, effective for 1976; that might be. I'll endeavour to find out for the hon. member, if he would like to have an answer, but I don't know whether the calculation will be different.

Mr. Renwick: Did the minister say that under the federal Income Tax Act, when they move at the end of this year to the earned depletion allowance, there will be a deduction for capital cost purposes of the amount of that depletion but in Ontario there will not be? Is that what the minister said?

Hon. Mr. Meen: No, I didn't say anything about the time when they move. What I am trying to emphasize is that this section is

effective Nov. 19, 1974. It simply says capital costs shall not be reduced by any claims for depletion allowance.

Mr. Renwick: I think I had better try again. It is my understanding that the reason for the reference to section 65 of the Income Tax Act of Canada is regardless of the date of the enactment of the provision in the federal Income Tax Act, is because of the transition to an earned depletion allowance basis, and that we are simply saying that's all right, you get your completion but you also are not required to deduct the amount of that depletion for any depreciable property which you have for the purposes of determining its capital cost, for the purpose of the capital cost allowance.

Hon. Mr. Meen: Let me try it again because I am not sure the hon. member and I are communicating all this well on this section. The Act simply provides that the capital cost of depreciable property must be reduced by the amount of any grants, subsidy or investment allowance received from a government. Although the federal earned depletion allowance isn't meant to be an investment allowance, in some cases it could be construed as such. Consequently, it is necessary to provide that the capital cost of depreciable property will not be required to be reduced by the amount of any federal earned depletion allowance that they have already claimed.

Mr. Renwick: Why wouldn't it be? That's my question. That's the benefit, the fact that they can have the deduction in calculating their income which is one thing. Not being required to deduct it from the capital cost of their property for depreciation purposes means they are getting a considerable additional advantage. My question to the minister is, why is that necessary?

[4:00]

Hon. Mr. Meen: We are trying to simplify matters by paralleling the federal approach on this. This is not meant to be an investment allowance, so we are treating them differently. Therefore, it does not reduce simply because you have claimed a depletion allowance.

I might add that my staff, in looking at the fiscal aspect of this, indicate to me that it has a negligible revenue effect. In the long run the same costs are charged off—it just is done in a different mathematical way, and at a different rate.

Mr. Renwick: I am extremely interested in what your staff is saying. It was always my view that if you didn't have to reduce your depreciation allowance base you therefore had a larger base for the purpose of calculating depreciation, and that's what this amendment does. In addition, they get it both ways.

All I am saying is that I want it to be clear that there is a double benefit conferred on the corporations, by (a) going to an earned depletion base at the end of this year for all subsequent years; and (b) allowing them to maintain the high level of their capital cost base and not be required to deduct it by the amount of the depletion allowance.

That's all right. It's a benefit. If the minister cannot explain it, I am quite happy that the record show that we expressed our concern about the easy way in which corporations have benefits without any clear statement from the government as to why the benefit is conferred on the corporation.

Mr. Nixon: This record is going to be a best seller, I think.

Section 3 agreed to.

Sections 4 and 5 agreed to.

On section 6:

Mr. Renwick: Mr. Chairman, perhaps the minister would explain the purpose of sections 6 and 7. They refer to the Cultural Property Export and Import Act of Canada, which I think requires some explanation to the House.

Hon. Mr. Meen: I would be pleased to, Mr. Chairman. The intention of section 6 was to encourage the retention in Canada of cultural property by exempting from tax any capital gain arising from the sale of a valuable cultural object to a designated public authority, or for that matter to a public institution in Canada.

At present, when a corporation sells a cultural object to a public collection, it has to pay tax on one-half of any gain arising after 1971, if the object sold is a capital asset. We consider it a very satisfactory approach toward this subject by simply saying if we want to keep cultural assets in Ontario, then we will exempt the corporations that make those sales to a charitable or public institution or authority from any capital gains tax.

Mr. Renwick: I suppose it does make sense to do so. It makes it extremely confusing for anyone who is interested in trying to understand what these taxing statutes say. We are now going to have a section in our cor-

porations tax which refers to the criteria set out in paragraphs (b) and (c) of subsection 3 of section 23 of the Cultural Property Export and Import Act of Canada. It refers to a further section, and if one goes to the particular referred section, you find that the criteria set out in paragraphs (b) and (c) of subsection 3 of section 23 of the Cultural Property Export and Import Act refer to "an object in respect of which the application was made is of outstanding significance for one or more of the reasons set out in paragraph 8(3)(a), and meets the degree of national importance referred to in paragraph 8(3)(b). If you go to paragraph 8(3)(a) and paragraph 8(3)(b) of the same Act, then you begin to find out what the criteria are to which reference is made in our Act. That is under 8(3)(a) of the Cultural Property Export and Import Act.

Whether the object is of outstanding significance by reason of its close association with Canadian history or national life, its aesthetic value, or its value in the study of the arts or sciences; and whether the object is of such degree of national importance that its loss to Canada would significantly diminish the national heritage.

I suppose all we're being asked to do here is to make an exception to the capital gains clause of the bill in favour of certain designated types of items which are of great significance to the national heritage.

I suppose we just simply have to rely on the people who make the decision as to whether or not that is the case. I can certainly imagine where, from a strictly revenue point of view, there will be a significant loss to Canadian revenue by the introduction of this concept into the Corporations Tax Act here and into the Income Tax Act of Canada.

I surely hope we're not talking about the personal papers of politicians as being matters of significance to the national heritage of Canada, as was the case in the United States. We're not going to get involved in that kind of a problem. Perhaps the minister could explain why, other than for the purpose of making our Act correspond with the federal Act, we are so eager to provide this benefit to those persons who have these particular objects.

Hon. Mr. Meen: Mr. Chairman, I agree with the hon. member that there is expected to be, of course, a reduction in revenue. There could certainly not be expected to be anything else but that. But if there is a reduction in revenue, it will be because matters of cultural value to Canada do come into the public hands, you might say. We do not know what

kind of reduction that would be. I don't know whether it's expected to be a large sum or a small sum.

Experience will tell over a period of years what that amounts to. But since it only amounts to a fraction of the value that comes into public hands, then I think it's fair enough to say that the Treasurer (Mr. McKeough) and the government have considered this a step in the right direction—as I've indicated, paralleling the federal amendment, and giving an assistance toward the acquisition and retention of these cultural objects.

I would have no idea whether they would touch upon the papers of famous public figures; but I suppose that's a possibility, such as any other heritage that we may enjoy here in Canada.

Mr. Renwick: I think it's worth a couple of minutes of further discussion in the assembly. As I understand it, the purpose of that federal statute, the Cultural Property Export and Import Act, is that if there is, from the point of view of Ontario, and talking only about corporations, if a corporation in the Province of Ontario, subject to the Ontario Corporations Tax Act, has an object of significant value to the cultural heritage of Canada—there is a buyer outside Canada who wants to buy it—then, as I understand it, that the corporation would apply to the review board under the federal Act; that is, this federal Cultural Property Export and Import Act.

If that board decided it was the kind of object that met the criteria that are set out here, and they designate an institution in Canada to which it is then sold, the corporation has the benefit of being (a) a good fellow because the object has stayed in Canada, and (b) that that good fellowship on their part is reinforced because it's not part of their capital gains, if they're subject to capital gains in that particular year or any past or future year.

We are conferring a capital gains benefit on corporations by allowing them to go through this procedure by which a designated institution in Canada may acquire ownership of that item.

Hon. Mr. Meen: I would agree with the hon. member that this confers a benefit there. It confers an incentive or it creates an incentive for the companies to dispose of some of these things. I don't know whether the hon. member has a list in front of him of some of the objects under the Cultural Property Export and Import Act but there is a schedule to which are attached some values.

I am advised that Canadian archaeological objects, for example, of any value would

qualify; Canadian aboriginal arts and crafts, provided they have a value of at least \$500; Canadian antique and decorative art in ceramics, \$500 minimum; furniture \$2,000 minimum; books and documents a minimum value of \$500 and so on. They have established certain criteria, as the hon. member has indicated.

I am advised, too, that the board has not yet been constituted under the Act but I would expect it would be constituted in the near future. For that matter, our guess is that this kind of provision probably applies more to individuals than it applies to corporations; that's one of the reasons we simply don't know to what extent there would be any reduction in revenue. We don't know at this stage just what corporations have what kind of cultural objects they might be prepared to sell or give or, in any event, at what prices or values.

As I said at the beginning, I think this is an appropriate step to take. We are interested in preserving our cultural heritage and we can encourage companies and individuals to dispose of assets of this sort without attracting capital gains tax.

Mr. Renwick: All I am saying is that it would appear to me that the government of Ontario had no input into the enactment of that particular statute.

It would have seemed to me that before an object can be exported from the country, and it has the kind of value spoken about, the review must take place. I can understand why it must be designated as to what institution in Canada it should go to, that it should remain in Canada, but it seems to me a little bit much to suggest that persons who have those items or objects—many corporations have significant items—should be rewarded at the expense of the revenue for keeping those items in Canada. That's what I can't understand about it.

I suppose I never will understand it but that's what the Act does. It seems to me—I want to make it certain, to make it clear so far as I am concerned—that that's the minister's understanding of it because, as he says, we are conforming our laws to the federal law and we really don't know the extent to which the revenue of the Province of Ontario, under the Corporations Tax Act, will be affected by the inclusion of this provision in the bill.

Again, it is another one of these benefits which we unthinkingly grant to corporations in Ontario.

[4:15]

Section 6 agreed to.

On section 7:

Mr. Renwick: Mr. Chairman, I think the discussion we had on section 6 covers in a somewhat different way the same problem which arises under section 7 of the bill. In that case it refers to listed personal property set out in a particular provision of the Corporations Tax Act of Ontario, in this case, other than property described in—well, wherever it is, the provision which—no, this section 7 refers to the definition of listed personal property. In our regulations, as I understand it, we have a definition that listed personal property of a corporation means its personal use property, that is, all or any portion of or any interest in or right to any print, etching, drawing, sculpture or other similar work of art, jewellery, rare folio, rare manuscript or rare book, stamp or coin. Then it goes on also to define in almost incomprehensible jargon, personal use property of a corporation and to list a number of items which are included in it.

Again, for corporations in the Province of Ontario normally subjected to tax, section 7 of the bill is a benefit which is conferred upon corporations. We don't have any knowledge of the extent to which the revenue of the province will be affected by the inclusion of this provision and it falls on the same basis as section 6 of the bill.

Section 7 agreed to.

On section 8:

Mr. Renwick: On section 8 of the bill, I referred at the time that we were dealing with section 3 to this whole question of the transitional provision through to the earned depletion basis for mineral resource companies in the Province of Ontario. This simply says that this amendment will make it clear that the earned depletion allowance which comes into effect at Dec. 31, 1976, under section 65 of the Income Tax Act is not a form of assistance which would reduce the cost of property for tax purposes.

That means for practical purposes they will be allowed to maintain a high level cost for property which, when otherwise disposed of, would attract capital gains to the extent of any excess gain. By allowing this further deduction it means reducing the revenue of the Province of Ontario to the extent of that deduction so far as capital gains tax is concerned. Is that the minister's understanding of that provision?

Hon. Mr. Meen: This section 8, Mr. Chairman, simply corrects an improper cross-reference.

Mr. Renwick: That's very cute. Read the next sentence.

Hon. Mr. Meen: Oh, well, this is a repeat.

Mr. Renwick: It is not a repeat. It's the same argument.

Hon. Mr. Meen: Just reading from the explanatory note, the amendment makes it clear that the earned depletion allowance under section 65 of the Income Tax Act is not a form of assistance which would reduce the cost of property for tax purposes.

Section 8 agreed to.

On section 9:

Mr. Renwick: On section 9, the comments we made on section 8 and section 3 apply equally well.

Section 9 agreed to.

On section 10:

Mr. Renwick: On section 10 the comments which we made on sections 6 and 7 relating to the Cultural Property Export and Import Act of Canada indicate again quite clearly that a corporation is to be able to deduct from its taxable income the full value of gifts of cultural properties, certified under that federal statute, to a designated Canadian institution or public authority. I assume we are just making our statute correspond with the federal Act and that the Ministry of Revenue has no knowledge of the extent to which the inclusion of this section will reduce the revenue of the Province under the Corporations Tax Act of Ontario. Is that correct?

Hon. Mr. Meen: The member is correct in that it does parallel an amendment to the federal Income Tax Act. He is also correct in his statement that again since it is dealing with cultural property we don't know the extent to which there would be a reduction in the revenues. I can simply say that without the amendment a corporation would be allowed a deduction limited to only 20 per cent of its income for a donation of cultural property made to a registered charity or provincial government or municipal government. We want to remove—and that's what this section does—the 20 per cent limitation.

Mr. Renwick: Mr. Chairman, on the same section, would the minister explain, in

terms other than the explanatory note, subsection 2 of section 10?

Hon. Mr. Meen: I'll certainly try, Mr. Chairman. The hon. member has in front of him a relatively full explanatory note for subsection 2, so I might try to put it another way. It will allow a corporation making a gift of a tangible capital asset to a registered Canadian charity or to the Crown to determine the value of the gift to be used in the calculation of the capital gain arising from the donation and in the deduction for the donation. If the current value of the asset exceeds its costs for tax purposes, then a corporation may establish a value that's between the cost and the current value.

This again parallels a federal amendment to the corporations sections of the federal Income Tax Act. We want to do this to vary the present provisions which require that corporations use, in their tax calculations in cases like this, the fair market value of the capital assets at the time of the donation.

The corporation isn't presently allowed any flexibility in adjusting the value of the donation in relation to the corporation's other capital gains or losses and its other donations. So this will give them the opportunity to select a value within the range, from one extreme to the other.

Section 10 agreed to.

On section 11:

Mr. Renwick: Mr. Chairman, on this small business deduction we certainly agree that the proposed section is an immense simplification over what was formerly again an almost incomprehensible section for a small business to use in calculating the small business deduction. I've no further comments there.

Sections 11 to 13, inclusive, agreed to.

On sections 14 and 15.

Mr. Renwick: We have no comments on sections 14 or 15. They simply extend the benefit to co-operatives and credit unions.

Sections 14 and 15 agreed to.

On section 16:

Mr. Chairman: Hon. Mr. Meen moves that subsection 2 of section 16 be struck out, and the following substituted therefor:

(2) The said section 115 is amended by adding thereto the following subsection:

(3) For the purposes of subsection 2, insurance corporations and insurers that trans-

act business in Ontario shall in calculating their incomes or taxable incomes,

(a) be entitled to make the deductions allowed by this Act which they would otherwise be permitted to make were it not for subsection 2; and

(b) not make the deductions provided in the Income Tax Act of Canada, otherwise permitted by subsection 2, that are prescribed to be not allowed for the purpose of subsection 2.

Hon. Mr. Meen: Mr. Chairman, perhaps I could explain to the hon. members that this amendment to section 16 which I am just proposing helps the section accomplish what we set out to do. The section as drafted, and as appears in the members' printed copies, does not accomplish that.

The hon. members will notice that in paragraph 2, subclause 3, if we can describe it that way, the words "incomes or" have been added to the third line so that it reads "calculating their incomes or taxable incomes"; those words "incomes or" were omitted. Then, in sub-paragraph (b) we had incorrectly referred to the Ontario Corporations Tax Act when we should have been referring to the Income Tax Act Canada, in the reference in sub-paragraph (b).

Mr. Renwick: Mr. Chairman, do I take it that the amendment does not affect the taxation of the insurance corporations to which it applies, other than to make a correction of that basis on which the calculation of their taxable income is carried out?

Hon. Mr. Meen: Yes, that is my understanding, Mr. Chairman. I might explain that the section, as it appears in the bill and as I am proposing it be amended, is intended to end the present tie-in with the federal calculations of taxable income of insurance corporations in those areas where the Ontario rules differ from the federal rules.

Motion agreed to.

Section 16, as amended, agreed to.

On section 17:

Mr. Renwick: Can the minister explain what exactly the explanatory note purports to say that the amendment does in connection with exploration and development expenses so far as it relates to the calculation of the paid-up capital tax of such corporations?

Hon. Mr. Meen: I will try, Mr. Chairman. It is aimed at restoring to those companies which explore for minerals in Canada, a deduction for their unclaimed balances for

Canadian and Ontario exploration and development expenses as at the year-end.

In 1974, the hon. members will recall that Ontario repealed the mine and mill allowance which allowed mining corporations a deduction for their mining assets, including exploration and development expenses. This proposed amendment will be of most benefit to those exploration and non-producing mining companies which experienced sharp tax increases as a result of the repeal of the former allowance.

Under this amendment no deduction will be allowed for expenses incurred in the search for oil or gas, I might point out, including exploration and development expenses relating to the Alberta tar sands.

Section 17 agreed to.

On section 18:

Mr. Chairman: Hon. Mr. Meen moves that subsection 1 of section 18 be struck out and the following substituted therefor:

(1) Subsection 1 of section 143 of the said Act is amended by striking out "two" in the first line, and inserting in lieu thereof "three"; and by adding thereto the following clauses:

(c) one-third of the net premiums paid or payable pursuant to a contract of accident insurance, life insurance or sickness insurance, entered into prior to the seventh day of April, 1976; and

(d) one-third of that part of the net premiums other than the net premiums with respect to which a deduction is permitted under clause (c) which represents the savings portions of life insurance contracts.

Further, that subsection 2 of section 18 be renumbered as subsection 3, and that section 18 be amended by adding thereto the following subsection:

(2) The said section 143 is further amended by adding thereto the following subsection:

(1a) The deduction permitted under clause (c) of subsection 1 does not apply to premiums paid or payable under contracts of

(a) Group life insurance, or

(b) Accident or sickness insurance which are not non-cancellable on or after the first anniversary date thereof which occurs after April 6, 1976; and

(1b) For the purpose of subsections 1 and (1a),

(a) Accident insurance, life insurance and sickness insurance have the respective

meanings given to those expressions by section 1 of the Insurance Act;

(b) Group life insurance means insurance other than family insurance as defined by clause (g) of section 145 of the Insurance Act, whereby the lives of a number of persons are insured severally under a single contract between an insurer and an employer or other person;

(c) Net premiums means the premiums determined in the prescribed manner; and

(d) Savings portions of life insurance contracts means that portion of life insurance contracts determined in the prescribed manner.

Mr. Renwick: Mr. Chairman, this is obviously the amendment to which the Treasurer (Mr. McKeough) referred when he made a statement in the House on April 22 to say that he was asking for an amendment with respect to the premium tax on insurance companies, particularly having regard to the life insurance industries. I take it that the two additional deductions which have been added by the proposed amendment are for the purpose, in substance, of reducing the increase proposed from two per cent to three per cent back to two per cent, insofar as certain portions of policies are concerned with respect to life insurance or sickness insurance. Is that the net effect of it?

Hon. Mr. Meen: Yes, in effect it is split two ways. With existing policies, the rate is two per cent. On policies that are traditionally renewed annually, where you have the option to go elsewhere—to terminate your policy and get coverage some place else—the rate will go up from 2½ per cent to 3½ per cent; it will be up one per cent.

But with life insurance, where the rate is two per cent but subject to negotiation, then the rate would be another one per cent on top of that with respect to that element in the premium of a life insurance policy relative to life insurance itself; in other words, that part that's equivalent to term insurance, as I would say it in laymen's language. But that part of the premium of a life insurance policy relative to savings—annuity policies, life insurance policies that develop a cash surrender value and so on—would not be the subject of the one per cent increase.

Ms. Bryden: I'd just like to ask the hon. minister if he has an estimate of the amount of revenue that will be lost by this change from the \$20 million, which the budget estimated would be brought in by the proposed new tax on premiums.

Hon. Mr. Meen: Yes, I have. As the hon. member will recall, the budget estimated roughly \$20 million of additional revenues. Our estimate of the net effect, once this stabilizes, is somewhere around \$17 million, I think. So, in round figures, there would be a net drop in the increase of \$3 million.

Ms. Bryden: Presumably the deficit will go up by \$3 million.

Mr. Edighoffer: I understand that these amendments just cover the statement by the Treasurer. I believe he also stated that the government should, in very quick order, complete an in-depth study of the whole insurance tax field. One question I would like to ask the minister: Is the increase from two per cent to three per cent in Ontario only, or had other provinces increased their premium rate previously?

Hon. Mr. Meen: I have a comparison table, Mr. Chairman, which might be of some assistance to the hon. member, and I could refer to that in a minute.

One point I did want to make in reference to the question by the hon. member for Beaches-Woodbine was that the Treasurer, in his statement to which the hon. member referred, indicated we expect the total tax base of insurance companies to be looked at over the next few months. We anticipate that the federal government may alter this to some extent too when the Minister of Finance brings in his budget, possibly later this month. We would expect from the Treasurer's statement he expects that although there is a temporary drop of \$3 million that would be readjusted and would be recovered, I think he expects virtually in toto, by the altered tax base. How that would be accomplished I don't know, but that is the Treasurer's expectation as I read it in his statement.

I have a table—no, I regret to say that it doesn't cover other provinces, I thought it did. It does indicate the rates applied in some of the states of the United States. California has an effective rate of 2.35 per cent; Florida, two per cent; Illinois, two per cent; Maine two per cent. I should emphasize that this is applicable to our companies, for example, trading in their jurisdictions. There are quite a number in the two per cent range. Michigan has 1.6 per cent; Ohio 2.5; Texas has a high of 3.3 per cent.

For their domestic corporations, some of them give a preferential rate. I see that Texas, for example, which charges 3.3 per cent on premiums of policies written by non-

resident corporations, such as companies from this province, charges only 1.1 per cent, a two per cent difference, on premiums written by their own local company.

I may just have the table to which I initially made reference. Yes. Across Canada there appears to be virtual consistency at two per cent on insurance premiums for this kind of thing. There is a wide range of percentage tax rates on premiums for fire insurance. I note they range all the way from seven per cent in Newfoundland to 0.5 per cent in Nova Scotia. I don't see too much consistency in that category, but in the other category they seem virtually consistent at a straight two per cent.

Motion agreed to.

Section 18, as amended, agreed to.

On section 19:

Mr. Chairman: Hon. Mr. Meen moves that section 19(1) be struck out and the following substituted therefor:

Subsection 4 of section 148 of the said Act, as amended by the Statutes of Ontario, 1975, chapter 17, section 64, is repealed and the following substituted therefor:

(4) Where the tax payable by a corporation for the fiscal year, or for the immediately preceeding fiscal year, is less than \$2,000, the corporation may, instead of paying the installments required by clause a of subsection 3, pay its tax payable for the fiscal year as estimated by it under subsection 2 of section 145, in accordance with clause b of subsection 3.

Hon. Mr. Meen: That was section 19, subsection 1, Mr. Chairman. Would you care to have me move the amendments to section 19 (2) at this time also?

Mr. Chairman: Hon. Mr. Meen moves, with respect to section 19(2), that subsection 6 of section 148 be struck out and the following substituted therefor:

Where the tax payable by a mutual fund corporation for the fiscal year, or for the immediately preceeding fiscal year, is less than \$2,000 after deducting its capital gains refund as determined under subsections 2 and 2a of section 109, for the fiscal year or for the immediately preceding fiscal year as the case may be, the corporation may, instead of paying the instalments required by clause a of subclause 3, pay its tax payable for the fiscal year as estimated by it under subsection 2 of section 145 in accordance with subclause ii of clause b

of subsection 3, after deducting its capital gains refund for the fiscal year.

Mr. Chairman: You have heard the amendments to section 19. Any comments?

Mr. Renwick: Mr. Chairman, would the minister explain to what extent this proposed amendment to section 19 reflects any change in the explanatory notes given in the bill as it now is before us regarding section 19, subsection 1 and 2.

Hon. Mr. Meen: Mr. Chairman, it simply clarifies the basis on which the estimate of tax is to be made; and I think it does not change in any sense the substance of the explanatory note.

Motions agreed to.

Section 19, as amended, agreed to.

On section 20:

Mr. Chairman: Hon. Mr. Meen moves that sections 20, 21, 22 and 23 be renumbered 21, 22, 23 and 24, respectively; and that the following section be added:

20. Subsection 2 of section 149 of the Act, as amended by the Statutes of Ontario, 1975, chapter 17, section 65, is further amended by striking out "subsection 3 or 4 of" in the first and second line.

The hon. minister has amended to sections 20 and 22. Any objections to moving them all at the same time?

Mr. Renwick: Yes. I would like to understand, first of all, the purpose of the proposed new section which has been designated 20.

Hon. Mr. Meen: I think that's probably as neat a way to do this, Mr. Chairman; and then I can go on with the other sections.

The new section 20 amends subsection 2 of section 149 of the Act to make it clear that interest chargeable under that subsection is not chargeable in case of default in payment of tax under the new subsections 5 and 6 of section 148, which we have already dealt with.

Motion agreed to.

Section 20, as amended, agreed to.

On section 21:

Mr. Renwick: I would like to now speak to 21, which was formerly 20 as in the printed bill before us, and ask the minister why it is necessary for him to have this power to issue a reassessment at such a long period after the time at which he may have issued his original assessment, and received within

the time period prescribed the notice of objection from the taxpayer.

It seems to me it leaves it open to the minister to reassess at any time after six years and that he's no longer limited, as apparently he believes he is, to the six-year period from the date of mailing of the notice of the original assessment. Why does it have to be open-ended?

[4:45]

Hon. Mr. Meen: It seems to me this amendment benefits both the taxpayer and the ministry because the deadline for issuing reassessments then isn't a factor in arriving at decisions on whether an assessment is issued or not. The taxpayer will have time to present his argument in an organized manner and the minister will have time to review properly the issues and decide on the action to be taken. It seemed like a very sensible approach to avoid a statutory period, that sometimes resulted in the issue of a reassessment and simply to preserve the time.

Mr. Renwick: An assessment is originally issued, the taxpayer then has 90 days from the date of mailing of the notice of that assessment to serve on the ministry a notice of objection. We're now being told that within six years, less 90 days, the minister would not have a sufficient period of time, and if he doesn't issue a reassessment within that period of six years, less 90 days, that in some way or other it's a benefit to the taxpayer to leave it open to the minister to issue a reassessment at any time, whether it's seven years, eight years, nine years or 10 years. Is that the purport of the section? If that's correct, why wouldn't five years plus or six years minus 90 days be quite sufficient?

Hon. Mr. Meen: I understand that the six-year period is adequate in most cases, but the limitation isn't sufficient for many reassessments arising from notices of objection. Some objections may remain outstanding beyond the six-year limit.

I'm told that some of the reasons are that the reassessment which gave rise to the objections was issued itself perhaps close to the six-year limit. The settlement of the objection may be very complicated and require lengthy studies and lengthy negotiations and the appeals office may be awaiting federal action on a federal objection or an appeal.

There have been a number of instances where it has worked to the taxpayers' disadvantage as well as to the ministry's disadvantage to have the six-year period. I take it that the advantage is really to the corporation, so when the assessment under the notice

of objection is not settled in the statutory period and if the decision is then in favour of the taxpayer, the minister cannot vary the assessment because of the six-year limit which would presently apply. As proposed here, the minister would have the authority to vary. It really works in favour of the taxpayer.

Section 21, as renumbered, agreed to.

Section 22, as renumbered, agreed to.

On section 23, as renumbered:

Hon. Mr. Meen: Section 22(1) was renumbered, becoming section 23(1).

Mr. Chairman: Hon. Mr. Meen moves that subsection 1 be amended by striking out "20" in the first line and inserting in lieu thereof "21".

Hon. Mr. Meen: Obviously that's just tied in with the other amendments we've had.

Motion agreed to.

Mr. Chairman: Hon. Mr. Meen moves that subsection 3 be amended by striking out "21" in the first line and inserting in lieu thereof "22".

Motion agreed to.

Mr. Chairman: Hon. Mr. Meen moves that subsection 13 be amended by striking out "2" in the second line and inserting in lieu thereof "3".

Motion agreed to.

Mr. Chairman: Hon. Mr. Meen moves subsection 14 be amended by striking out "2" in the second line and inserting in lieu thereof "3".

Motion agreed to.

Hon. Mr. Meen: Finally, I have an amendment to subsection 15.

Mr. Chairman: Hon. Mr. Meen moves that subsection 15 be amended by striking out "section 19" in the first line and inserting in lieu thereof "sections 19 and 20."

Motion agreed to.

Section 23, as renumbered, and amended, agreed to.

Section 24, as renumbered, agreed to.

Mr. Chairman: Shall the bill be reported?

Bill 45, as amended, reported.

ONTARIO GUARANTEED ANNUAL INCOME AMENDMENT ACT

House in committee on Bill 47, An Act to amend the Ontario Guaranteed Annual Income Act, 1974.

Hon. Mr. Meen: Mr. Chairman, I have but one amendment and it is in section 3.

Mr. Chairman: The hon. minister has an amendment on section 3. Is there any discussion or comments prior to section 3? The hon. member for Scarborough-Ellesmere, what section?

Mr. Warner: Section 1, subsection 2, clause (h) (iii) (A). I take it there are no comments prior to that particular section? Is it allowable to proceed?

Mr. Chairman: You may proceed.

On section 1:

Mr. Warner: I'm wondering if the minister can explain whether or not the discriminatory nature of that particular section—

Hon. Mr. Meen: What is the subsection to which the hon. member is referring?

Mr. Warner: Two.

Hon. Mr. Meen: Section 2?

Mr. Warner: No, section 1, subsection 2, clause (h) (iii), defining "eligible person"; it begins "has resided in Canada." I'm wondering if the minister can make some remarks on whether or not the discriminatory nature of that section is just related precisely to that particular ministry or reflects the views of other ministries or of the government? To put it into some perspective, I would refer the minister to a statement made in this House on May 4 by the Minister of Colleges and Universities (Mr. Parrott). On page 2 of his report he notes:

The change in policy for foreign students will have no impact on the fees paid by Canadian citizens, nor will it apply to landed immigrants whose status reflects a commitment to Canada which we recognize and respect.

Do I take it from that comment that while the Ministry of Colleges and Universities may respect the status of landed immigrants and that those people have a commitment to Canada, the same cannot be said for the Ministry of Revenue? Do they have a different attitude toward landed immigrants?

I am very disturbed by this whole business and I'd like to know whether or not we are seeing here in this legislation your particular views or those of the ministry; or are they, in fact, those of the government? If so, then do we applaud only the Minister of Colleges and Universities, who says that landed immigrants have a commitment to Canada, and the fact that that ministry recognizes and respects the

commitment that landed immigrants have made to this country?

Hon. Mr. Meen: Mr. Chairman, I don't accept the suggestion by the hon. member that there is discrimination.

Mr. di Santo: We do, we do.

Hon. Mr. Meen: What this amending bill attempts to accomplish is some measure of standardization. The federal government applies the same provision for 10-year residency. That is precisely what we are doing. We are suggesting 10 years, with no divesting of any interest that is vested. Any immigrant who has been here for a period of five years or more and qualified at age 65 prior to April 7, they will continue to qualify. Indeed, those who haven't yet applied and have been confirmed as having qualified would have a year within which to qualify and not miss any payments under the existing GAINS programme. It is an attempt by the province, by the Treasurer, to bring some form of rationality to this GAINS programme.

I said during second reading that it was immensely expensive to carry two per cent of the GAINS clientele, some 6,200, with about 17 per cent of the total GAINS budget and that those people with less than 10 years, who had not qualified and would not come under the GAINS legislation as we're proposing to amend it, would still be able, if they were really in need, to qualify under GWA or FBA. I agree that is not quite as generous an allowance as under GAINS, nevertheless, they would get assistance to the extent required.

No one who is presently qualified would be deprived and over the next five years we would revert to a standard of 10 years here in Ontario for qualification. Five years from now all these people who are on at present would be 10-year residents and no others would be coming into the plan. It would slowly wind down over the next five years as these people presently in the scheme reach the 10-year residency rule.

I might observe for the hon. members that according to the statement tabled in the House of Commons by the Hon. Marc Lalonde two weeks ago the 10-year period is apparently to be standardized or it is proposed that it be standardized in that sense as well. In other words, they are proposing to retain the 10-year period.

What we're trying to do, as I say, is to be consistent. The programme benefiting the five-year residents, those who don't qualify for the 10-year, is, as I'm sure the hon. members would recognize, very expensive. If those moneys in the next five years could be made

available to other GAINS recipients we think, with the 10-year application across the board, it would be a far more equitable way to apply the moneys.

That is one of the reasons we are proposing to simplify the system. As I say, we won't deprive anybody. This section brings in the 10-year residency provision but there are other sections in the bill which preserve the interests of those who have qualified or would have qualified up to and including April 6 last when the announcement was made.

Mr. Warner: You end up with two classes of Canadians.

Mr. McClellan: It's my desire to introduce an amendment at this point—I think it's at this point.

Mr. Chairman: Mr. McClellan moves that section 1, subsection 2, clause 3, be struck from the bill.

Mr. McClellan: If I may briefly speak to that, Mr. Chairman: We had some discussion in second reading of the principles at stake. For us, the principle remains that you are introducing an unacceptable discriminatory feature into the GAINS programme and you are establishing two classes of Canadians, the old and the new. You are saying, by extending the residency requirements to 10 years, that old Canadians are somehow entitled to more benefits, to a more humane treatment, to better treatment than new Canadians.

It's simply unacceptable. The requirements are simply to be co-terminous with the citizenship requirements which are presently still five years. The fact that the federal government is making the mistake of standardizing its programme at the inequitable 10-year residency requirement is no justification at all for the province to follow suit. [5:00]

This is not charity that we are providing. This is not arbitrary munificence. This is income security as a social right. We cannot establish two classes of Canadian citizens in this country or in this province. And that is precisely what we are doing. We will be in the position in a couple of years where Canadian citizens in this province will be applying for GAINS and they will be ineligible, despite the fact that they are Canadian citizens.

Mr. Warner: That's wrong, and I think the minister knows it.

Mr. McClellan: I just recall the origins of the residence requirement in the first place.

You know, it is a cultural vestige of the Elizabethan Poor-law. The Elizabethan Poor-law seems to be assuming a major significance in this government's social policy thinking these days. I recall that the Treasurer used a lengthy quote at the last first ministers' conference, and the Minister of Community and Social Services was recently awarded the distinctive title of "Man of the Year for 1834," but the government shouldn't continue to use Poor-law thinking in the development of its income maintenance programmes.

Residence requirements originated because of the need to establish which parish a pauper lived in in Elizabethan England. That is the origin of residence requirements, and here we are, 400 years later, still trying to fiddle around with residence requirements in our major income security programmes. It's absolutely absurd; it's absolutely ridiculous. The government should have more sense than to be carrying on this way.

Mr. Grande: Archaic thinking.

Mr. McClellan: In this country, at least in the early days, we have always operated our immigration programme on the basis of a policy of generosity to immigrants because we knew that this country needed immigrants if it was to grow and develop and prosper. We originally granted new Canadians free land in this country as an inducement to come and settle and build this country.

We obviously can't go back to those days, but the principle is there and the principle should be recalled, which is that we have always tried to implement immigration policies that treat new Canadians with a generosity that would acknowledge the fact that we are enriched by their coming to this country. We should not now deny income security, or the right to a decent standard of living, to elderly new Canadians for the rather spurious and nonsensical purpose of bringing the legislation into line with inequitable federal residency requirements.

We intend to divide on this matter as an indication of how strongly we feel about it, and we hope that the party beside us will support us in this. There is nothing to recommend the government's action on this policy. It is simple discrimination against immigrants; the members of the other party know it, and we call on them to join with us in voting against it.

Mr. Grande: I rise in support of the amendment which the member for Bellwoods has put on the floor and to say that, for me, it is truly a sad day today. For the first time since

I have been in this House, we see the government bringing in legislation which, as the hon. member for Bellwoods has said, is discriminatory and makes second-class citizens of Canadian citizens.

I would like to point out that different members of this government seem to be speaking from two different sides of their mouths. I would like to quote something that the Minister of Culture and Recreation (Mr. Welch) said in a recent speech to the National Congress of Italian Canadians at the Plaza Hotel on April 10. He said he recognizes that this society in Canada is "a multi-cultural fact" and that Canadians have rights and everyone has those rights. He put it in these words:

They [meaning whites] must be provided with full access to the benefits of citizenship and they [referring to new Canadians I would assume] would have the opportunity of being actively involved in the life and concerns of the general community. [This is the crucial point that he makes:] It is the duty of government to safeguard these rights and it is the obligation of government to ensure that all cultures are treated with tolerance and respect.

I said the speech was made on April 10 yet the government introduced these amendments to the guaranteed annual income on April 6. It is tremendous. On one hand you talk about safeguarding the rights of people and on the other, through legislation, you take it away.

Mr. Chairman, this kind of discrimination really saddens me—the fact that it is discrimination by a government of this province. Whenever we get out into the communities we always say that discrimination in principle is abhorrent. We all abhor it. Yet we are presented with this Bill 47 which is discriminatory in its very principle.

In another speech that another hon. member from your side of the House made a week ago—by the way, it was made by the Premier of this province (Mr. Davis) at one of his recent gatherings—he extolled the virtues of the Conservative government that has been in power for the last 33 or 34 years, and says it was a Conservative federal government that brought in the Canadian Bill of Rights. This is a bill which makes discrimination on the basis of race, creed, national origin, or colour, absolutely illegal.

I would like to advance an opinion to you, Mr. Chairman, and to the members of this House that this bill therefore is an illegal bill, and should not be presented in this

House. I would like the people from that side of the floor, the members of the Liberal Party, to try to do their best to get out of the deep political coma they are in and begin to take a stand on some of these issues which strike at the very core of a democratic society. I, therefore, would like to give my support to that amendment.

Hon. Mr. Meen: I was just going to interject one or two thoughts in here, Mr. Chairman. I want to answer the member for Oakwood.

We are safeguarding the rights of individuals here in Ontario. Everyone who has qualified and everyone who would have qualified if he had filed his papers still has a year within which to qualify. We are safeguarding their rights, we are very careful to preserve those rights. We are taking nothing away.

Mr. Grande: Why are you bringing it in then?

Hon. Mr. Meen: Nothing that has matured will be taken away by this legislation at all.

Mr. Grande: Why are you bringing it in then?

Mr. Warner: You are creating two classes of Canadians.

Hon. Mr. Meen: Those who haven't yet qualified and would not be qualified by having acquired five years of residency at age 65 on or before April 6 but finds himself in need, still has available to him the assistance under the Family Benefits Act and under general welfare assistance. By virtue of those two pieces of legislation, we do assist many who would not otherwise qualify under the GAINS provisions. This does not make two classes of citizens any more than we have two classes of citizens now. If we were to leave it in any other fashion, we would have a hodge-podge.

I simply say we are safeguarding those rights. We're just aware of them as the hon. gentlemen—ladies and gentlemen—opposite are aware. I want to emphasize that point.

Mr. Nixon: Mr. Chairman, there seems to be some confusion as to the intent both of the government—perhaps no confusion about its intent—and of the amendment proffered. I believe most people in this House feel that the 10-year delay before a resident of this province or this country is qualified to receive the additional pension money is really unfair. While the minister objects to the phrase "second-class citizen" certainly there

is a good deal to support the concept that there would be, under this legislation as there is under the federal legislation presently, a second-class citizenship here—at least a second-class resident—of people who have lived here with their families for a long period of time and are not eligible to receive this funding.

It's our feeling that the whole thing ought to be predicated on citizenship and we ought to offer every encouragement we possibly can for people coming to this country to take out citizenship and move with as much expedition in that direction as the federal law permits. I would like to see an amendment which would put a qualification requiring citizenship rather than such a long period of 10 years. I would also like to see the federal government move in this direction. I'm not sure what its intent is but it seems to me, if I understand what's been described to me, that its intent is just the opposite. It's been suggested that I would move on behalf of my colleagues a subamendment to the amendment before us unless the member indicated that he wanted to withdraw it.

Mr. McClellan: If I may, Mr. Chairman, I'm being caught out by my inexperience with respect to my amendment. What I should have moved—may I withdraw the amendment I made in favour of an amendment simply deleting section 1, subsection 2?

Mr. Good: All you do is vote against it if you want to delete it.

Mr. McClellan: Okay. What I should have moved in my amendment was deletion of the whole of subsection 2, so that we would then be reverting to the existing legislation.

Mr. Chairman: Mr. McClellan moves that section 1, subsection 2, be struck from the bill.

Mr. McClellan: Thank you, Mr. Chairman. If I may clarify it, that restores the eligibility requirements to its present terms and that is the intention of my amendment.

Mr. Nixon: Mr. Chairman, the purport of the changed amendment really is to maintain five years—is that correct?

Mr. McClellan: That's correct.

Mr. Nixon: Our position is something similar because we feel it should be associated with citizenship, which is attainable in five years. What's the matter with that? Why wouldn't that be a proper way for residents of Ontario who are also citizens of Canada to provide

this sort of impetus to strengthen the desires of the people who have come here and lived here to take out their citizenship?

Hon. Mr. Meen: I thought the hon. member has been saying he wanted to bring in a citizenship requirement rather than so much a residency figure.

Mr. Nixon: Yes.

Hon. Mr. Meen: Even the federal OAS-GIS does not go that far.

Interjections.

Hon. Mr. Meen: I suggest that's an undue restriction. In any event, I would point out the fiscal implications of leaving the plan in place at five years are significant—\$3.5 million the first year; a saving of \$10.2 million the next; up to a total of \$30.1 million in the fifth year, by my estimates. I just point out to you that these fiscal figures are significant. They are very significant indeed when we are talking about a present cost of \$23 million which—
[5:15]

Mr. Warner: Where does it end?

Hon. Mr. Meen: —ultimately reduce that scaling to \$30 million after five years and, for this year alone, a saving of \$3.5 million in that quarter after you have taken into account the numbers in the category who would not otherwise qualify but would normally have qualified through this next year, but being granted assistance under the Family Benefits Act or under general welfare assistance legislation.

Under one or the other of those the net effect is, of course, not quite \$3.5 million of saving, because a part of the GWA or of the FBA is contributed by the province and a part is contributed by the federal government. And, of course, under the province's total contribution other than the municipalities, the split is 50/50 between the two as we discussed during second reading.

I just want the hon. members opposite, and particularly the hon. member for Brant-Oxford-Norfolk, to recognize that there is significant fiscal implication to the suggestion by the hon. member and he just should remember the fiscal implications of any amendment to this section. Obviously I have to oppose the amendment made by the member for Bellwoods.

Mr. Nixon: May I ask, Mr. Chairman, for some further information. Surely when you are talking about fiscal implications of this,

the position now is that we do pay GAINS after five years' residence. If the hon. minister is feeling that in order to get the co-ordination with the federal policy that it is to our advantage to that extent, well that is something that has to be certainly considered. Although the minister points out that citizenship is not part of the federal Act nor of the provincial Act, why wouldn't it be possible that we could add a section which would say "or Canadian citizenship"? Then, if in fact there was a move toward a 10-year delay, at least it would not affect those people who took out citizenship after five years and it would introduce, as you pointed out, a new concept but one which I think would be eminently supportable.

Hon. Mr. Meen: I simply cannot accept it at this time. I draw to the hon. member's attention that any alteration will change the allowances which the Treasurer has taken into his budget of \$3.5 million for this year alone. I would suggest to him he bear that in mind.

Obviously the whole picture will have to be looked at again. The entire GAINS plan will have to be examined when we know what the federal government is going to do on the question of that scaling over 40 years. I am pointing out to the hon. members that this is entirely independent of that. It will take five years to accomplish it, but it brings it into line with the 10-year residency rule which the Hon. Marc Lalonde has confirmed in his statement tabled in the House of Commons in late April. It would appear to be the intention of the federal government to stay with the 10-year residency rule.

Whether, in the course of all of this, we get around to talking about citizenship as a qualification at an earlier date, is something the hon. members might take up with their buddies in Ottawa. I would suggest that if they take that up on that basis we might be able to look at it as an appropriate mechanism here.

Mr. Nixon: We can take it up and they can look at it.

Hon. Mr. Meen: But in taking it up here, remember that if we do so without a comparable move at the federal level then it costs the GAINS programme the entire amount that would otherwise come under OAS-GIS if they haven't qualified. And that is exactly the problem with the—

Mr. Renwick: Just fine with us.

Hon. Mr. Meen: —five-year residency rule as we have it now.

Mr. di Santo: I support the amendment moved by my colleague from Bellwoods and I would also support the sub-amendment because I think that as the members know the House of Commons is passing a bill to allow Canadian citizenship after three years of residency.

I think the attitude of the minister and his approach is absolutely wrong. It shows that the minister has no valid arguments to defend the decision he is taking by removing a group of people, residents of this province, from a right that they have under the present law.

He is talking now of fiscal implications. I would like to ask the minister why he is talking of fiscal implications in regard to a group of citizens who happen to be the most vulnerable in this society and the weakest group in this society. Your very government has a deficit in the budget of \$13 billion and what you are talking about now is \$3.5 million. The very reason why you are extending the residence requirement is not the fiscal implication. The reason is that you want to remove people from the GAINS programme so that they will go to family benefits, because family benefits is a cost-shared programme with the federal government and that is the very reason. It is mean reason which doesn't do any good to the reputation of your government.

As you said, you are saving two per cent of the total programme. In order to save two per cent of the GAINS programme in total you are instituting an injustice, you are instituting a discrimination that you won't be able to deny, because you have to prove to me that when a landed immigrant becomes a citizen of this country he must have all the rights of the citizens of this country, as well as all the duties of the citizens. By extending to 10 years the requirement in order to be eligible for GAINS you are really instituting two categories of citizens, those who are able to get GAINS because they were born in Canada or because they have been residing in Canada for a long time, and those who are Canadian citizens but do not have the same rights because they have not been residing for five years in Canada.

I hope that the minister will reconsider his decision and accept the amendment, because with this decision, really, you are doing something profoundly wrong, something which is wrong in principle and something which offends the principles of social justice, the principles of equity. I hope that you will reconsider your decision, because while you may spend more money with the GAINS pro-

gramme, and you may gain more money with the family benefits because of the 50 per cent contribution from the federal government, you are doing something wrong in principle, something wrong that this province doesn't deserve.

Mr. Nixon: Mr. Chairman, I was quite interested in the remarks by the hon. minister. I really do believe, personally and very strongly, that we ought to move to a citizenship basis. The minister points out that the federal people have not done this and it's based simply on residence. The bill provides clearly that those people who have had five years' residence here by the operative date of the legislation will not be cut off the payments that are presently available.

I would like very much to see both governments move toward a citizenship base for this sort of assistance. There are all kinds of abuses that could be possible. As somebody has pointed out, an American citizen could come over from Detroit and take out citizenship here and probably collect social insurance from both sides eventually.

Mr. Good: They do that now.

Mr. Nixon: There will always be those things, but it seems to me it could be quite easily corrected by careful legislation and regulation. The bill here is almost an exact copy of the intent of the federal legislation. I would like to see it improved at both levels, but until we get an opportunity to do that we're prepared to support the section as it presently is.

Mr. Warner: Ah, shame.

Ms. Bryden: Mr. Chairman, I rise to support the amendment moved by my colleague from Bellwoods. I support it for the reasons he and the member for Oakwood and the member for Downsview stated so eloquently, that it is discrimination against newcomers and it does create a second-class citizen status for such people.

But I also oppose it because it is a third instance of this government breaking faith with senior citizens. I pointed out, in my comments on the rent review amendment bill, that they broke faith with senior citizens by withdrawing the promised rent subsidy, which was an election promise, and that they broke faith with senior citizens when they took those who are in public housing out from under the rent review Act.

Now they are breaking faith with senior citizens who would have qualified under this programme of GAINS, which was announced

so proudly by this government two or three years ago as a pre-election programme, in which they were leading the way in this country to some extent as far as the residency requirement goes and in terms of making GAINS available to senior citizens on a much less demeaning basis than having to apply for welfare. It came as a right with certain income tests, but they were very simply done.

I think it also should be opposed because it is another instance of the government making senior citizens and aged people the front-line troops in their restraint programme.

Mr. Warner: Take it out on the elderly; they do it every time.

Ms. Bryden: It is only going to cost something like \$3.5 million this year; the minister says it may go up to \$30 million in future years. Do you realize that that is less than half of one per cent on the corporation tax?

Mr. Warner: Did you help him with this?

Ms. Bryden: The money certainly could be found for a programme of this sort; and it seems to me, if we are going to practise restraint, there are many areas of government spending that could be cut back, but not aid to senior citizens and not by making two classes of senior citizens in this country.

If there is a saving, as the minister says, it is obvious that the people concerned, even if they can get welfare, are going to be getting less money; otherwise, there would be no saving. Of course, some of it the minister will pass on to Ottawa. He will get some of his saving by shoving it on to the Ottawa taxpayers, and some of it by giving less to the senior citizens who would have qualified if this programme had not been changed.

This is another example of a reversal by this government of what was a fairly progressive policy in order to appear to be exercising restraint, but they are exercising restraint at the expense of our seniors in this country.

Mr. Grande: The poor, the children, and everybody else.

Mr. Warner: Where does it end?

Mr. Nixon: It is not a sub-amendment.

Mr. Sweeney: Mr. Chairman, I would just like to ask the minister a question of clarification—

Mr. Swart: Why? You will vote for it anyway.

Mr. Warner: Are you going to flip-flop?

Mr. Roy: Oh, shut up and listen to this.

Mr. Sweeney: Mr. Minister, do I understand you to say that anyone who is eligible for the programme right now will continue to be eligible? That is, prior to this legislation.

Hon. Mr. Meen: Mr. Chairman, everyone who was in the plan and was qualified by being age 65 and having five years of residency on or prior to April 6, 1976, is entitled to be in the plan. Some of them may not yet have applied. They have a whole year in which to apply—

Mr. Renwick: A whole year! Isn't that wonderful?

Mr. McClellan: And then what happens to the people?

Hon. Mr. Meen: —and get their retroactive payments over that period of time back to April 6. So no one, absolutely no one, is being deprived; if he was qualified on April 6, he is entitled to be in the plan and would be in the plan.

Mr. McClellan: What would happen if he came on April 7?

Mr. Haggerty: I want to speak on this particular bill, Bill 47, an Act to amend the Ontario Guaranteed Annual Income Act, 1974. As I recall, when the bill was originally introduced here a little over a year ago or so, I brought to the attention of the minister that we are overgenerous in our benefits to certain people living within the boundaries of the Province of Ontario—

[5:30]

Mr. Grande: Which people?

Mr. Davidson: What do you mean "certain people"? Name them.

Mr. Haggerty: Name them? Just hold your seats there, don't get excited.

Interjection.

Mr. Roy: We are being overgenerous to you, just for one.

Mr. Haggerty: I would mention the overgenerous legislation that was before the federal government at that time. We do have Americans coming here who contribute nothing to our system for old age pensions or anything like that yet are entitled to it under the present law. All they have to show is that they are property owners, have lived

here for three or four months of the year, and they could collect old age pensions.

It was not too long ago that I assisted a person to obtain benefits under this particular programme available to him. To my amazement the cheque, I think, was close to \$3,500. I thought that was a most generous bonus from the federal government at that time to provide for some citizens—I shouldn't say citizens—but some people living here as residents of the Province of Ontario without citizenship who were eligible for such a programme.

In the United States, to get into their social security programme you must contribute to the programme. You don't get it just by going there and saying "I'm a resident of the United States." You have to contribute to that programme. That is the important thing about it. I think the minute we allow this to continue we will have almost every pensioner from almost every country coming here and receiving some benefits. I can recall a number of—

Mr. McClellan: Have you never heard of landed immigrant status?

Mr. Haggerty: —widows in the riding of Erie who had worked over a number of years and contributed to the system but when they were down and out, there was no assistance whatsoever. I would suggest if we are going to open the door to provide assistance to new people coming into the country, who have contributed nothing to it, I think we should take a close look at our welfare system and look at those widows who receive very little income today. Those are the ones below the age of 60 now.

Mr. McClellan: What do you think we are talking about?

Mr. Haggerty: That is who we should be looking at to provide assistance, not to newcomers coming into the country. I strongly support the government on this particular bill. They are going to plug that hole and persons will have to become residents for a period of 10 years or as the member for Norfolk-Halifax has mentioned, it should be perhaps under the—I should say the member for Brant-Oxford-Norfolk—

Mr. Samis: What a difference three to four months makes, eh Bob?

Mr. Nixon: That's all right, Ray.

Mr. Haggerty: I'll get it right. But anyway—

Mr. Samis: Who did you support last time?

Mr. Haggerty: The member has proposed a good amendment, that it should be when a person becomes a Canadian citizen. I think that is a fair amendment or a fair suggestion to the government, to the minister. Perhaps a person should be a Canadian citizen. As I mentioned before, I think you could open the door and have everyone flocking into this country from all nations throughout the world saying, "They've got a good social scheme in Canada. Let's go over there."

Interjection.

Mr. Haggerty: I can tell you we would probably have many people come from Sweden to collect it, too.

Interjections.

Mr. Haggerty: No doubt the party to my right has moved an amendment and the one purpose is they are out looking for votes for the next election.

Mr. Renwick: I am really amazed at the Minister of Revenue. Whenever he talks about anything to do with individuals and any transfer payments by the government, he can always calculate the estimation down to the last cent. Whenever the government talks about corporations and conferring benefit after benefit after benefit in the Corporation Tax Act, you can never extract any figure of any kind from the government about what the costs will be to the Treasury.

It is very easy. It is a Tory approach. It is an approach with which the Ontario Liberal Party associates itself because it's more to the right than you are. We stand on a very simple principle.

If you happen to be born in Canada but don't continue to live in the country as the great bulk of Canadians do, this poses no problem. If you happen to come to Canada as a landed immigrant to the country then it won't matter; you've got to wait a certain period of time. You are a landed immigrant after one year. You are a Canadian citizen after five years; but if you can't make the 10-year requirement, then you are penalized. It's rank discrimination. I can't conceive how the Premier of the province, between the time we debated this bill on second reading and when it comes before us in committee of the whole House, could have made an overt effort to obtain the political support of the very people whose support you lost in the last election in the city of Toronto,

and then to persist in going through with this.

(You even do us the disservice of standing up without giving us any of your assumptions, any of your calculations, any of the methods by which you arrived at the escalating figures. They started at \$3.5 million and went on up to whatever it was—\$30 million. You don't give us the credit of the calculations on which you make these assessments. You don't give us the possible errors that you may make. You don't take into account that many of these people will have to apply for family benefits assistance in any event. You're surely not going to move the Family Benefits Assistance Act into this same test at some point in time.

I certainly hope the attendance of the Minister of Community and Social Services (Mr. Taylor) doesn't mean he's so enamoured by this that he's going to make a similar regulation under his Act for this purpose.

Hon. Mr. Taylor: You're not suggesting that, are you?

Mr. Renwick: I certainly am not, but I'm a little frightened when you're here.

Mr. Warner: —children and elderly people.

Mr. Renwick: We've made our arguments, we've made our case. The government has failed to make its. The Liberal Party doesn't have a case, and we'll divide on the amendment of my colleague, the member for Bellwoods.

Mr. Chairman: Does the minister wish to reply to this?

Hon. Mr. Meen: No, I've made the case for the government, Mr. Chairman.

I would just reply to the hon. member for Riverdale and point out that I have given him the figures as nearly as we can calculate them. The saving, as he mentioned, in the first year, is \$3.5 million. We know that. It goes to \$10.2 million in the second, and so on. We don't know what the off-setting Community and Social Services costs would be in the second year, because they haven't been able to calculate them yet. Their estimate to us of the costs under Family Benefits Act which they would bear is in the order of \$300,000. That's after taking into account, I presume, the contribution that would come from the federal government towards the case load that would build there—but the net saving to the government is \$3.2 million.

I don't have my file in front of me at the moment for the Corporations Tax Act,

but if the hon. member had asked me the revenues and the savings to be expected in many of the other sections which we were dealing with earlier this afternoon I could have given them to him. We have those with relative accuracy. It happens that some of those we were dealing with were rather esoteric areas where we couldn't estimate. But I can tell you that in this case, these estimates are as accurate as we can get them—and we think they're relatively accurate in the case of the GAINS estimates.

Mr. Good: Mr. Chairman, can I ask a question of the hon. minister? I think many of us have had problems with the bill, and I would like to make sure that we know exactly what the implications will be. As I understand it, it will mean now that a person 65 years of age who has come to Ontario and has not lived here for 10 years would be treated in the same manner as a lifetime resident who has lived here for 64 years? Is that correct? They would have to show need, then—?

Hon. Mr. Meen: Yes.

Mr. Good: —to get benefits under the Family Benefits Act? And you would then recover half of those benefits from the federal government, is that correct?

Hon. Mr. Meen: I think that's a pretty accurate statement of the situation.

Mr. Good: I have no problem with that.

Mr. Moffatt: Mr. Chairman, I simply would like to ask the minister a question. If a person is resident in Ontario now, and has been for six or seven years, and does not qualify by reason of having substantial income or whatever, and next year should qualify because his income for whatever reason does not meet the standard, would that person be excluded under this Act?

Hon. Mr. Meen: I am advised that since he does not qualify now, he would not qualify if his income dropped to the point where he would then be below the GAINS level. He would not qualify because he doesn't qualify at this time.

Mr. Moffatt: Mr. Chairman, that seems to me to be very dramatic proof of the comments made by previous colleagues of mine in this party. There is something grossly unfair about that kind of system which has the capacity to treat people in classes, through no fault of their own, and discriminate against them.

Hon. Mr. Meen: Mr. Chairman, that is just precisely why the Family Benefits Act and the general welfare assistance legislation are in place.

Mr. Warner: Let the feds pay for it.

Mr. Chairman: Mr. McClellan moved that section 1, subsection 2 be struck from the bill.

Those in favour of Mr. McClellan's amendment will please say "aye."

Those opposed will please say "nay."

In my opinion the "nays" have it.

Before we agree to call in the members—

Hon. Mr. Meen: Mr. Chairman, could I suggest we ask if there are any other amendments to be made to this bill?

Mr. Renwick: No, Mr. Chairman, we asked that the vote be taken now.

Mr. Chairman: There was some kind of an understanding from the House leaders that they would stack this one and we would introduce Bill 78 into the committee so that it would be passed today because of the time constraints noted in the bill.

Mr. Renwick: Mr. Chairman, that is not the problem with which we are faced. The rules state that unless by agreement the provision is stacked, it can't be stacked. We ask for the division now.

[5:45]

Mr. Chairman: Order, please. All members must be in their seats to be entitled to vote.

Mr. McClellan moved that section 1, subsection 2 of the bill be struck out.

The committee divided on Mr. McClellan's amendment, which was negatived on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 23, the "nays" are 55.

Mr. Chairman: I declare the amendment defeated. Shall the bill be reported?

Hon. Mr. Meen: Mr. Chairman, the bill cannot be reported. I have an amendment to section 3, you will recall.

Mr. Chairman: We don't have it here.

Hon. Mr. Welch moved that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill with amendment and asks for leave to sit again.

Report agreed to.

Hon. Mr. Welch: Mr. Speaker, before moving the adjournment of the House, we have had general agreement, because of the urgency with respect to Bill 78, that we would change the order for tomorrow. We will do legislation tomorrow afternoon from 3 p.m.

to 5 p.m., the private members' hour from 5 to 6 p.m., and the budget debate in the evening.

We will start tomorrow afternoon with Bill 78 in committee, then resume our discussion on Bill 47, and if time permits, do other work that is in committee of the whole.

Hon. Mr. Welch moved the adjournment of the House.

Motion agreed to.

The House adjourned at 6:05 p.m.

APPENDIX

(See page 2119)

Answers to questions were tabled as follows:

23. Mr. Angus—Inquiry of the ministry: Would the Minister of Industry and Tourism advise the breakdown in responsibilities for the operation, management, funding and running of events at Big Thunder Ski Jump in Thunder Bay: (a) between the Canadian Ski Association, Big Thunder Ski Jumps Incorporated, NODC, the Ministry of Industry and Tourism and Little Norway Ski Resort; (b) breakdown in regard to responsibilities, funding, etc.

Answer by the Minister of Industry and Tourism:

23(a), responsibilities for various entities involved are divided into two categories:

- (a) provision of the physical jumping facilities;
- (b) use of the facilities for scheduled events.

Breakdown re operations, management, funding and running of events, relative to Thunder Bay Ski Jumps Limited (Ski Jumps), Canadian Ski Association (CSA), NODC, Ministry of Industry and Tourism (MIT), and Little Norway Ski Resorts Limited (Norway) is as follows:

Function	Entity	Responsibility
(1) Operations	Ski Jumps	Solely responsible for (a).
	CSA	Assuming responsibility for (b). For sanctioning two major jumping competitions annually.
	NODC	Advisory as shareholder.
	MIT	Nil
	Norway	Provide access and services as defined in lease.
(2) Management	Ski Jumps	Sole responsibility.
	CSA	Nil
	NODC	Advisory, supply of general manager, as a shareholder.
	MIT	Nil
	Norway	Nil
(3) Funding	Ski Jumps	Recommended need, arrange sponsor funding.
	CSA	Sponsor two annual meets.
	NODC	Process ski jump loan applications for funds, disburse authorized funds.
	MIT	Nil
	Norway	Nil
(4) Running Events	Ski Jumps	Full responsibility.
	CSA	Sanction, assist ski jumps.
	NODC	Nil
	MIT	Nil
	Norway	Contract labour and equipment on request.

23(b), funds for the construction of the jumps and operational requirements of the company, have been provided by the NODC as follows: Performance loan, \$291,500, OIC 3387/72; performance loan, \$160,500, OIC 2632/73; demand loan, interest free, \$15,000, OIC 3381/74; bank guarantee, \$70,000, OIC 2677/75; total \$537,000.

For the purpose of: (a) Construction of 90 and 70 meter jumps with required 90 meter inrun tower, graded 70 meter inrun, joint landing hill and outrun, judge's tower, drainage, etc., \$412,000; (b) working capital \$40,000; (c) working capital \$65,000; (d) estimated legal fees re defense of contractor suit \$20,000; total \$537,000.

24. Mr. Angus—Inquiry of the ministry: Would the Minister of Industry and Tourism advise the number of paid staff and their salaries or wages, whether full-time or part-time at Big Thunder Ski Jump and their responsibilities.

Answer by the Minister of Industry and Tourism:

Thunder Bay Ski Jumps Limited has two full-time employees. A general manager, responsible for the general administration of the company's affairs and serving also as the secretary

of the company, employed on contract by NODC at a salary of \$17,386 per annum, and seconded to duties with the ski jump company. A secretary-bookkeeper responsible for office administration and maintenance of operating and financial records, at a salary of \$7,200 per annum, employed by Thunder Bay Ski Jumps Limited.

26. Mr. Angus—Inquiry of the ministry: Would the Minister of Industry and Tourism provide a list of all firms, companies and individuals who have received NODC, EODC, and, ODC funds since the inception of the development corporations whose companies no longer exist because, in spite of the funding, these companies went bankrupt, into receivership, or ceased to exist.

Answer by the Minister of Industry and Tourism:

Listing of firms, businesses and individuals who have received NODC, EODC and ODC loans since the inception of the Development Corporations whose businesses no longer exist:

NODC, number of loans approved to March 31, 1976, 418; of this total seven businesses no longer exist; Algocraft Ltd.; Champlain Forest Products Ltd.; Chieftain Photo Services Ltd.; Colorama Textile & Plastics Ltd.; Kokotow Lumber Ltd.; Sullivan Trailer and Equipment Mfg. Co. Ltd.; Williams Electric Ltd.

EODC, number of loans approved to March 31, 1976, 205; of this total two businesses no longer exist; Peri Pump Co. Ltd.; Wilfred Deroche Lumber Products.

ODC, number of loans approved to March 31, 1976, 1,522; of this total 81 businesses no longer exist; ABC Steel Building Ltd.; Abtech Industrial Instruments Ltd.; Alexander Fisher Enterprises; Allied Chemical, Falconbridge; Al's Supertest Salvage Co.; Analog Controls Ltd.; Ancom Marine; Aqua-Jet Ltd.; Baxter Press; Bookprint Rapide Ltd.; Brocair Systems Ltd.; Canada Bondwood Ltd.; Canada Marine & Equipment Ltd.; Canada Trap Co. Ltd.; Canadian Items Ltd.; Capella Chemicals; Cluett Coatings Ltd.; Communi-Tel Marketing Ltd.; Crusex Industries Ltd.; Dafna International Inc.; A. Davis and Son Ltd.; Deltron Controls Ltd.; Demas Product Development; Dominion Chain and Wire Co. Ltd.; Downs Consortium Industries; Dyna-Lab Ltd.; Eastern Drain Tile Ltd.; Exotron Industries Ltd.; Fashion Promotions Ltd.; Franchise House; Franklin Fence and Furniture Ltd.; Frazer Audio Vision Ltd.; Gilmac Marketing; Gomes Yarns; H. and R. Engineering Associates Ltd.; Hall Lamp Company of Canada Ltd.; Jack R. Irwin Manufacturing Ltd.; Kor-Mac Ltd.; Lincoln Flush Doors Ltd.; Linecraft Circuits Limited; MCA Records (Ontario) Ltd.; MHV Industries Ltd.; Marcus Verus Ventures; Mariton Limited; McGruer and Clark; McMaster Concrete; Merrick Hydraulics Inc.; Mohawk Lacrosse Stick Mfg.; Mohawk Mills Ltd.; Morrow Electronics; Mumac International Ltd.; Norfolk Knitters Ltd.; North American Valve and Mfg. Ltd.; Olivier Impex Ltd.; Paul Mueller (Canada) Ltd.; Pemark Industries Ltd.; Pollution Control Systems Ltd.; Port-A-Stall; Precision Electronic Components; Precision Mould Industries; Quexoil Ltd.; Quinte Canlin Ltd.; Recyclit Company Ltd.; Red Rooster; Rivabo Truck Bodies; Ronzen Design Ltd.; Sail Rite Ltd.; Sherwood Building Systems; Shuffleboard International Ltd.; Southwest Pipeline; Steelcraft Upholstered Office Furniture Co. Ltd.; Strong Cobb Arner Ltd.; Suncrafts (Randy Michael Walters); Tel-E-Bar Manufacturing Co. Ltd.; Telemark Metal Specialties; Total Metal Recovery; Travellaire Ltd.; Twenty First Century Mens and Boys Wear; Twineese Corporation Ltd.; Weller Electric Canada Ltd.; Wosguhaegun Ltd.

28. Mr. Angus—Inquiry of the ministry: Would the Minister of Industry and Tourism advise the detailed breakdown of operating costs, advertising, transportation costs for the Big Thunder Ski Jump in Thunder Bay and what is the revenue received—broken down by gate attendance, sponsors, television rights, etc.—for the year 1974-1975 and the year 1975-1976 to date.

Answer by the Minister of Industry and Tourism:

Excerpt from the company's audited statement of income for year ended March 31, 1975 is as follows:

	1975	1974
Revenue	\$14,654	\$
Expenses		
Advertising	6,335	91
Capital Tax	423	50

Expenses—continued	1975	1974
Cash Shortage	271	
Competition	4,309	
Employee Benefits	195	
Insurance	1,917	
Legal and Audit	5,108	400
Market Survey and Feasibility Study	7,500	
Miscellaneous	138	213
Office	4,407	57
Telephone	906	154
Travel	3,142	800
	<u>\$34,651</u>	<u>\$1,765</u>
NET LOSS FOR THE PERIOD	<u>\$19,997</u>	<u>\$1,765</u>

The year's revenue is reported to be composed of: Receipts from sponsors, \$6,150; souvenir and concessions, \$123; ticket sales, \$8,381 total, \$14,654.

Figures for the year ended March 31, 1976 are not yet available.

57. Mr. Cassidy—Inquiry of the ministry: 1. What is the name, career background, and most recent employer of each of the persons appointed as rent review officer in Ontario? 2. Which of these officers, if any, own more than three rented residential dwelling units? 3. How many rent review officers are women? If there are none, why not?

Answer by the Minister of Consumer and Commercial Relations:

1. The location, name, sex and career background including most recent employer of rent review officers in Ontario is as follows:

London, C. E. Allen, male, field auditor, Revenue-Canada, 1975; accountant and property manager, 1974-1975; chartered accountant, 1970-1974.

Owen Sound, R. B. Allen, male, proprietor, Allen's Cleaners, Owen Sound, 1946 to present.

North York, R. D. Arkell, male, secretary treasurer, GM dealer, accountant and office manager, Pineview Pontiac-Buick, 1969-1972; accountant, 1967-1969; bank manager, 1963-1967.

Hamilton, J. W. Alyward, male, monitor, retirement systems investments (Brascan Limited/John Labatt Limited), 1974-1976; supervisor and manager, 1951-1973.

East York, Dr. N. Baird, male, chairman, Studies in Education (York University), 1967-1973; administration officer, 1966-1967; educator, 1950-1966.

Scarborough, J. R. Barker, male, real estate consultant, (J. R. Barker), 1970-1975; appraiser, Department of Highways, 1967-1970.

North York, N. J. Belak, male, research economist (Workmen's Compensation Board of Ontario), 1966-1976.

Barrie, R. S. Bentley, male, independent, 1975; corporate consultant (Molson's Brewery), 1974-1975; director of corporate affairs, 1971-1974.

Mississauga, D. W. Biggar, male, president (Dominion Catering), 1971-1974; executive vice-president, 1966-1967; secretary-treasurer, 1949-1966.

Ottawa, J. F. Bordeleau, general manager (N. A. Bordeleau & Sons, Ltd.), 1948-1975.

North York, J. R. Carlin, male, auditor (Department of Supply & Services—Audit Service Bureau), 1975-1976; management consultant, 1974-1975; comptroller office manager, 1974.

Ottawa, G. N. Clarke, female, real estate agent, 1975-1976, consultant to United Appeal Agencies.

Sudbury, S. A. H. Cressey, male, manager (Sudbury Housing Authority), 1969-1976; self-employed (printing business), 1946-1969.

Kenora, J. N. Davidson, male, Mayor (Town of Kenora); credit union adviser, 1970-1971; secondary school teacher, 1941-1970.

North York, W. J. Donevan, male, staff assistant to controller (Crothers Ltd.), 1975-1976; financial analyst, 1974-1975.

Etobicoke, N. B. Doorenspleet, male, accountant (1966-1968) and chief accountant (1968-1973) (The Niagara Group of Companies), 1966-1975; custodian, manager securities department, special credit officer and assistant manager, 1956-1966.

Richmond Hill, J. G. Duguid, male, manager retail inventory and operations control (G. Tamblyn Ltd.), 1973-1976; executive assistant to vice-president and treasurer, 1969-1973; secretary-treasurer and general manager, 1969.

Etobicoke, J. Dziama, male, real estate (H. Keith), 1975-1976; acquisition agent, 1973-1975; real estate agent, 1966-1973.

Cornwall, D. A. Fawthrop, male, chartered accountant (Touche, Ross & Co.), 1974-1976; chartered accountant, self-employed, 1956-1974; resident manager for C.A.'s, 1953-1956.

London, J. A. Fillmore, female, senior accountant (Revenue-Canada), 1972-1976; accountant, 1971-1972; accountant, 1970-1971.

North York, W. Finch, male, accountant/general amanager (Manner Construction Co. Ltd.), 1975; general manager and partner, 1973-1975; field auditor, 1967-1973.

City of Toronto, A. S. Gammage, male, senior auditor (Ministry of Consumer & Commercial Relations) 1975-1976; vice-president, finance, 1974-1975; treasurer, controller and assistant secretary, director of company, 1968-1974; controller, 1963-1968.

London, W. B. Garland, male, branch manager (Canadian Imperial Bank of Commerce), 1938-1975.

Ottawa, E. R. Gold, male, 1970-1976, retired, except for special assignment with Indian Affairs and Northern Development; (U.N. Advisor on Housing, Government Taiwan, Republic of China, 1968-1970); Advisor on Housing to Deputy Minister, Department of Indian Affairs and Northern Development, 1967-1968.

Etobicoke, M. S. Green, male, assistant general manager and comptroller (Zenith Electroplating), 1971-1975; vice-president, 1969-1971; president and general manager, 1948-1969.

Thunder Bay, J. R. Gustavson, male, lawyer, McKittrick, Erickson & Jones, 1974-1976.

East York, C. E. Harrott, male, director, new business development (Duplate Canada Limited), 1974-1976; general manager, 1971-1973; manager then director, 1966-1971.

Mississauga, R. T. Heine, male, president (R. T. Heine & Associates Ltd., Real Estate Appraiser and Consultants), 1976; real estate consultant to Town of Brampton, 3½ years; vice-president, real estate consultants, seven years.

City of Toronto, L. S. Herchmer, male, assistant to corporate secretary (TransCanada Pipelines), 1970-1976; legal department, 1957-1969; legal department, 1950-1957.

Kingston, G. A. Hobbs, male, Program Administration Group (Revenue-Canada Taxation Field Audit), 1967-1976; assistant manager, chartered accountants, 1960-1967.

City of Toronto, E. W. Hopley, male, rental management, 17 years.

East York, H. J. Hyslop, male, senior audit clerk (Ministry of Colleges and Universities), 1971-1975; administrative assistant, 1966-1971.

City of Toronto, G. E. Isaac, male, treasurer (Ont. Trans. Development Corporation), 1973-1976; comptroller, 1970-1973; technical consultant, 1969-1970; public accountant, 1969.

City of Toronto, M. De Koven, male, financial officer (Ontario Housing Corporation), 1975-1976; chief accountant, 1964-1969.

Belleville, C. W. Jamieson, male, self-employed as accountant, auditor and income tax advisor (including rental premises interests), 1965-1974; field audit and tax fraud investigations, 1947-1961.

Mississauga, J. B. Jennings, male, mortgage manager (United Dominions Corp. Ltd.), 1973-1976; marketing, 1950-1973.

Kitchener, G. B. Kenney, male, director (Waterloo Mutual Male Insurance Co.), 1974-1976; vice president and managing director, 1964-1974; vice president and managing director, 1954-1964.

Oshawa, R. W. Kline, male, industrial, commercial and investment real estate salesman (John Shorthill Ltd.), 1973-1976; real estate officer, 1970-1973; real estate officer, 1970.

City of Toronto, H. M. Little, male, comptroller advertising agency, 1973-1976; administrator, government institution, 1971-1973; executive director, professional association, 1964-1970.

City of Toronto, P. A. Loftus, male, auditor (Federal Government - Department of Supply & Services), 1972-1976; chief cashier, 1968-1971.

Windsor, D. C. MacDonald, male, clerk-treasurer (Township of Moore), 1968-1975; treasurer, 1960-1968; registrar and transfer officer, 1950-1960.

Hamilton, D. R. McEniry, male, proprietor (real estate broker), 1956-1976; sales representative, 1951-1956; restaurant proprietor, 1948-1951.

York, K. R. McKeown, male, general manager/comptroller (Interiors International Ltd.), 1974-1976; comptroller, 1970-1973.

Peterborough, G. I. Mandel, male, appraiser and manager mortgage department (Rishor Barnes & Dietrick Ltd.), 1972-1976; securities business, 1965-1972.

North York, T. C. Meagher, male, accounting and consulting (self-employed), 1975-1976; controller, 1974-1975; vice president, finance, 1973-1974; chief financial officer, 1971-1973.

City of Toronto, B. C. Mowbray, male, retired 1974-1976; cost auditor (Department of Defence Production), 1954-1974; office manager, 1952-1954.

North York, N. I. Myrhorod, male, assistant comptroller (Harbour Castle Hotel), 1975-1976; real estate salesman, 1970-1975; office manager, 1970.

Ottawa, D. H. Niblock, male, comptroller (The Canadian Medical Association), 1973-1975; manager, 1969-1973.

Sudbury, C. A. Nowak, male, sales agent (self-employed), 1975-1976; sales agent, 1969-1974; sales agent, 1968-1969.

Hamilton, H. J. Nurre, male, president and general manager (Henderson Homes Ltd.), 1968-1976; corporate legal assistant, 1965-1968.

Scarborough, G. C. O'Reilly, male, self-employed (real estate broker), 1971-1976; sales manager, 1968-1970; salesman, 1970-1971.

City of Toronto, J. H. Pavey, male, accountant-office manager (Stapells & Sewell — law office), 1974-1976; comptroller, 1972-1974; comptroller, 1971-1972.

York, L. Pernatozzi, male, administrator (St. Lawrence Securities), 1975; bank manager, 1969-1975; accountant, 1963-1969.

City of Toronto, J. E. Pollock, male, president (Marsland Engineering Ltd.), 1971-1976; general manager, 1950-1971.

Hamilton, L. Preston, male, member (Burlington Council), eight years.

Barrie, J. B. Reid, male, self-employed (Home Improvement Co.), 1967-1976; sales supervisor, 1955-1967; sales, 1950-1955.

Ottawa, A. D. Sandeman, male, project director (Campeau Corporation), 1975-1976; financial assistant, 1973-1975; authenticator, 1967-1973.

City of Toronto, J. Sawchyn, male, estate assessor (Ministry of Revenue), 1967-1976.

Kingston, H. R. Shaw, male, chief of audit review (Revenue-Canada), 1972-1976; supervisor of investigations, 1968-1972; senior investigator, 1962-1968.

St. Catharines, D. J. Simpson, male, senior business evaluator and property appraiser (Niagara Valuations Ltd.), 1971-1976; chief internal auditor, 1969-1971; self-employed fruit grower, 1966-1969; comptroller, 1932-1966.

Ottawa, H. E. Snyder, male, manager (Copanspin Farm), 1972-1976; director, administration, 1968-1972; property and buildings management.

London, D. O. Stavert, male, representative (Life Assurance Co.), 1975-1976; general manager, 1970-1975; secretary/treasurer, 1961-1970.

Windsor, M. Skinner, female, administrative assistant, Mayor of Windsor, 1975-1976; proprietor, office management and accounting firm; accounting teacher, 1968-1972.

Hamilton, G. B. Stewart, male, self-employed (real estate broker), 15 years; real estate agent, 1954-1961.

Timmins, G. Tait, male, general manager (Seljack Developments Ltd.), one year; secretary/treasurer, two years; manager-accountant, five years.

City of Toronto, P. P. Tatay, male, private consulting practice, 1975-1976; corporate comptroller, 1974-1975; director and treasurer, comptroller, 1961-1973.

City of Toronto, R. H. Tenbroeck, male, assistant to president (Canadian Pneumatic Tool Co. Ltd.), 1966-1975; chief accountant, 1940-1965.

Kitchener, T. W. Tilston, male, real estate appraiser (Revenue-Canada), 1974-1976; established own real estate consulting and brokerage firm, 1969-1974.

North York, K. J. Timney, male, director of maintenance (V.P.-Condominium Corp.), 1972-1974; insurance agent and real estate agent, 1945-1975; retired fall 1975-1976.

Kitchener, R. F. Tolmie, male, 1974-1976 retired; manager, operations training (Carling O'Keefe Breweries Ltd.), 1972-1974; director of operations.

Hamilton, G. F. J. Upfield, male, manager (Program Implementation for Continuity of Government and Resources), 1970-1976; emergency measures co-ordinator, 1959-1970.

Windsor, J. B. Veitch, male, president, Essex County Humane Society, director, Essex County Cancer Society, 1967-1971; vice-president, 1967-1971; president, 1952-1967.

St. Catharines, L. V. Wilton, male, real estate representative (Paul Hatorp & Associates), 1973-1976; real estate representative, 1973; general manager, 1971-1973.

2. To our knowledge, none of these officers own more than three rented residential units.

3. Three of the persons are women.

61. Mr. Angus—Inquiry of the ministry: Would the Minister of Industry and Tourism specify those communities and those industries that have been classified as unstable or declining in importance on page 28 of the Design for Development Report entitled "Ontario's Future, Trends and Options". Would the minister also provide a definition of the terms "unstable" and "declining in importance".

Answer by the Minister of Industry and Tourism:

The section of the report referred to by the member for Fort William, was not intended to specify particular municipalities or industries that might be considered to be declining. It was intended to point out that in some regions of the province there is a need to encourage investment in a wider range of activities which will broaden the base for new job opportunities. Due to the fact that some communities and/or areas have only one type of basic industry such as mining or forestry, the impact of world market conditions has more significance on the retention and creation of jobs, as well as community growth or decline.

In defining the terms "unstable" and "declining in importance", it is important to understand that those descriptions are used in relation to the conditions affecting economic development and the creation of jobs. As an example, a mining operation being phased out because of depleted ore reserves would be considered "declining in importance" to the general economy of the area. The community in which such a mine was located might be considered to be unstable due to the job losses, the possible outward movement of people and a decline in local purchases.

62. Mr. Angus—Inquiry of the ministry: Would the Minister of Industry and Tourism advise what percentage of manufacturing in this province uses components from the forest industry or the mining industry.

Answer by the Minister of Industry and Tourism:

The wood industries group, furniture and fixtures industries group, paper and allied industries group and the smelting and refining industry are, by and large, the major users of the forest and mining industries in Ontario.

According to the 1973 Census of Manufacturers, these industries collectively accounted for 1,867 establishments (15.1 per cent of Ontario's total); 97,268 employees (11.1 per cent); \$3.1 billion in shipments (9.0 per cent); and \$1.5 billion in manufacturing value added (10.2 per cent).

CONTENTS

Monday, May 10, 1976

Point of privilege re constituency offices, B. Stephenson	2107
Police week, statement by Mr. MacBeth	2107
National lottery, statement by Mr. Welch	2107
Hospital closings, questions of B. Stephenson: Mr. Lewis, Mr. S. Smith, Mr. Singer	2108
Legality of government decisions, questions of B. Stephenson and Mr. Welch: Mr. Lewis, Mr. Singer	2109
Aid to Italian earthquake victims, question of Mr. Welch: Mr. Lewis	2110
Public health nurses' negotiations, questions of B. Stephenson: Mr. Lewis, Mr. S. Smith	2110
Labour rates of Ontario Hydro moving contractor, questions of Mr. Timbrell: Mr. S. Smith	2111
Conviction of police officer, question of Mr. MacBeth: Mr. S. Smith	2111
Family law reform, questions of Mr. Welch: Mr. S. Smith, Mr. Roy	2111
Child immunization, questions of B. Stephenson: Mr. S. Smith, Mr. Cassidy	2112
Hospital closings, questions of B. Stephenson: Mr. Grossman, Mr. Nixon, Mr. Godfrey	2112
Lakeshore psychiatric unit, question of B. Stephenson: Mr. MacDonald	2113
Sexual charges, questions of Mr. MacBeth: Mr. Roy, Mr. Cassidy	2114
Venereal diseases in Ottawa, questions of B. Stephenson: Mr. Godfrey, Mr. Philip	2114
Loans to milk producers, questions of Mr. W. Newman: Mr. McKessock, Mr. MacDonald, Mr. Riddell	2115
Time magazine, questions of Mr. Handleman: Mr. Moffatt, Mr. Cassidy	2116
Citizenship of ministry personnel, question of Mr. Taylor: Mr. Eakins	2116
Grants to children's aid societies, questions of Mr. Taylor: Mr. Deans, Mr. Cunningham ..	2117
Loans to milk producers, question of Mr. W. Newman: Mr. Gaunt	2118
Transportation of handicapped children, questions of Mr. Wells: Mr. Foulds	2118
Sexual charges, question of Mr. MacBeth: Mr. Singer	2118
Report, Registrar General, Mr. Handleman	2119
Report on Laurentian Hospital (interim), B. Stephenson	2119
Motion re private members' hour, Mr. Welch, agreed to	2119
Tabling answers to written questions on order paper, Mr. Welch	2119
Point of privilege re report on Laurentian Hospital, Mr. Lewis	2119
City of Thunder Bay Amendment Act, Mr. McKeough, second reading	2119
Corporations Tax Amendment Act, reported	2127
Ontario Guaranteed Annual Income Amendment Act, reported	2136
Motion to adjourn, Mr. Welch, agreed to	2146
Appendix, answers to written questions on order paper	2147

SPEAKERS IN THIS ISSUE

Bryden, M. (Beaches-Woodbine NDP)
Cassidy, M. (Ottawa Centre NDP)
Cunningham, E. (Wentworth North L)
Davidson, M. (Cambridge NDP)
Deans, I. (Wentworth NDP)
di Santo, O. (Downsview NDP)
Eakins, J. (Victoria-Haliburton L)
Edighoffer, H. (Perth L)
Foulds, J. F. (Port Arthur NDP)
Gaunt, M. (Huron-Bruce L)
Godfrey, C. (Durham West NDP)
Good, E. R. (Waterloo North L)
Grande, A. (Oakwood NDP)
Grossman, L. (St. Andrew-St. Patrick PC)
Haggerty, R. (Erie L)
Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
Lewis, S.; Leader of the Opposition (Scarborough West NDP)
MacBeth, Hon. J. P.; Provincial Secretary for Justice and Solicitor General (Humber PC)
MacDonald, D. C. (York South NDP)
Makarchuk, M. (Brantford NDP)
McClellan, R. (Bellwoods NDP)
McKessock, R. (Grey L)
Meen, Hon. A. K.; Minister of Revenue (York East PC)
Moffatt, D. (Durham East NDP)
Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, K. (Kingston and the Islands PC)
Philip, E. (Etobicoke NDP)
Renwick, J. A. (Riverdale NDP)
Riddell, J. (Huron-Middlesex L)
Roy, A. J. (Ottawa East L)
Ruston, R. F. (Essex North L)
Samis, G. (Cornwall NDP)
Shore, M. (London North L)
Singer, V. M. (Wilson Heights L)
Smith, S. (Hamilton West L)
Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
Swart, M. (Welland-Thorold NDP)
Sweeney, J. (Kitchener-Wilmot L)
Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)
Timbrell, Hon. D. R.; Minister of Energy (Don Mills PC)
Warner, D. (Scarborough-Ellesmere NDP)
Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)
Wells, Hon. T. L.; Minister of Education (Scarborough North PC)

Ontario. Legislative Assembly



Ontario

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, May 11, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159)

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LEGISLATURE OF ONTARIO

TUESDAY, MAY 11, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

AID TO ITALIAN EARTHQUAKE VICTIMS

Hon. Mr. Davis: Yesterday the House leader (Mr. Welch) answered a question with respect to the type of assistance which Ontario might offer the earthquake victims in northeastern Italy. I had an opportunity on Sunday of meeting briefly with some of those now working in the general Metropolitan Toronto area to collect funds for the disaster victims and yesterday, at my request, the Ministry of Health was in contact with the Italian consulate. The ministry requested and received from Dr. Nicosi of the consulate, a list of items that might provide some assistance for the disaster victims. The list supplied to the ministry includes baby foods, antibiotics, vitamins, anti-typhus, anti-tetanus inoculations and other pharmaceutical supplies.

It is my hope to have a report by the end of the week on precisely what the government has been able to arrange in this regard. We have been informed that Alitalia will ship from Toronto the goods and materials that are made available by Canadians and the government will seek to co-ordinate any initiative with the Canadian Red Cross and with the federal government.

HOSPITAL CLOSINGS

Hon. B. Stephenson: The decision announced by the divisional court with respect to the closure of four hospitals by the Province of Ontario will be respected by the government. The government will, however, be launching an appeal against the decision of the court.

During the period of time required for the next stage of appeal to be exhausted, the hospitals will continue to operate with levels of funding that will conform to general funding principles for institutions funded by the Ministry of Health. The government recognizes that, should the appeal fail, the need

to consider a legislative remedy would be apparent. To do so now, however, would be to prejudge the appeal process about which the government is, indeed, hopeful.

Mr. Lupusella: You don't want to be a loser.

Hon. B. Stephenson: In a free society, balances between the various elements of government are critical if individual freedoms are to be protected. The right of any citizen or group of citizens to challenge the legality of a government decision, however it is reached, either through the deliberations of the cabinet or the Legislature is basic to our way of life.

Mr. Singer: That's nice.

Hon. B. Stephenson: The government will seek to establish an appropriate funding period of not more than six months so that the hospitals affected might continue to function during the appeal process. Should the appeal process not have resulted in some clarification by that time, another six-month funding period will be considered.

The government of Ontario operated in good faith consistent with the overall public good derived from an effective, efficient, secure and affordable health care system.

Mr. Singer: Does the minister still think the judges don't want to save money, as she said yesterday?

Mr. Reid: That's nothing to be proud of.

Mr. Speaker: Order, please.

Mr. Lewis: It's a retreat.

LAURENTIAN HOSPITAL

Hon. B. Stephenson: In order further to clarify the problem of Laurentian Hospital, might I say the order in council regarding the appointment of locally nominated provincial representatives to the board of that hospital did not include the name of Mr. J-P. Lebel.

Following the explicit directions of Judge Waisberg on April 12, I wrote to Mr. Roger Gionet, then chairman of the board of Laurentian Hospital, requesting, and I quote:

That the present directors of Laurentian Hospital submit formal resignations to the corporation and cease to exercise the functions of directors of the corporation.

I also informed Mr. Gionet in that letter that, pursuant to Judge Waisberg's second recommendation, a panel of directors was being appointed under section 9(11) of the Public Hospitals Act to ensure that the corporate affairs of the corporation are put into proper legal order, and to ensure that the necessary preparations are made for the valid election of a board of directors by the general members of the corporation, pursuant to the Corporations Act and the Public Hospitals Act. The term of appointment of the seven interim directors extends from April 15 to Sept. 30, 1976.

Although Mr. J-P. Lebel and Sister Claire Dupont had been original incorporators and directors of the corporation and, therefore, assumed to be validly constituted board members, the letter to Mr. Gionet encompassed the request for their resignations as well as those of the other board members.

On April 26, at the first meeting of the new board of interim appointees, it was learned by telephone that Sister Claire Dupont intended to submit her resignation effective April 26. That resignation, we are advised, has since been received. Mr. Lebel, on the other hand, has declined to submit his resignation as of this date. Neither the Ministry of Health nor the Lieutenant Governor in Council has the legal power to remove a director from office.

Thus, the ministry has followed carefully the explicit directions of the commissioner to this date and is awaiting his final report.

Mr. Singer: Are you going to let Lebel defeat you?

Mr. Speaker: Order, please.

NURSING PROGRAMMES

Hon. Mr. Parrott: In response to questions raised by the leader of the Liberal Party (Mr. S. Smith) on April 23, I would like to add to my previous response on that occasion concerning the situation with respect to the employment of graduates of nursing programmes.

My ministry estimates there will be 3,681 new nurses graduating this year from post-secondary institutions in Ontario. This figure is significantly lower than numbers recently reported by the news media. Each nurse trained in a diploma nursing programme at a college of applied arts and technology costs the province approximately \$7,500.

I am certain hon. members will agree that the benefits a student receives through higher education remain with that student and are not lost immediately if employment is not obtained in the field for which the student has been trained. Graduates of programmes in psychology, philosophy, English and sociology, for example, do not lose the benefits inherent in their education simply because they do not immediately find employment in a related field. Nor do newly graduated nurses lose the educative and social values acquired in their training if nursing jobs are not immediately available. There are inevitable peaks and valleys within specific professions and classifications and the variations that occur throughout a period of years in employment opportunity.

It has been suggested that diploma nurses who are unable to find employment might pursue further training opportunities in the field of occupational health. An advisory council on occupational and environmental health, reporting to the Ministry of Health, is actively engaged in exploring this area.

Training programmes related to the field of occupational health are offered or proposed at Lambton College in Sarnia and Algonquin College in Ottawa. Lambton College offers a three-year programme in industrial hygiene technology. Algonquin College proposes a 12-week, post-diploma programme for nurses to commence this fall. The programme would be oriented toward the prevention of occupational diseases, accident prevention, safety counselling and crises intervention.

It has also been suggested that graduates of diploma nursing programmes who face unemployment may find suitable positions in other provinces or, indeed, outside Canada. I find no fault with this suggestion. I would remind the hon. members that over the last several years more than 1,000 nurses a year came into Ontario to work after having been educated in other jurisdictions.

Mr. Speaker, I am sure the hon. members will recall that less than two years ago in this House the government was being exhorted to "alleviate the province-wide shortage of nursing staff."

Mr. Wildman: That is planning!

Hon. Mr. Parrott: We are now challenged to reduce the supply and we are responding to this challenge.

However, hon. members must recognize that our post-secondary system, like our whole society, is not amenable to abrupt changes in direction. It takes a minimum of two years to make adjustments necessary to bring supply in line with a drastically changed demand.

As I recently informed the House, we have reduced enrolment in diploma nursing programmes by 15 per cent across the system. I believe this reduction to be adequate for the present. My ministry is monitoring the situation very carefully and the House will be advised if further adjustments are to be made in the future.

Mr. Speaker: Oral questions.

HOSPITAL CLOSINGS

Mr. Lewis: A question first, Mr. Speaker, to the acting Minister of Health: Given the decision she announced today on the four hospitals, will the minister extend that decision automatically to other hospitals that have not gone the divisional court route, but wish to remain open—the classic example, of course, would be the Willett Hospital in Paris—or is she going to force Paris to go through the courts in order to achieve a similar judgement, and then the minister will again appeal it?

Hon. B. Stephenson: Mr. Speaker, that specific situation will be most carefully considered.

Mr. Singer: The Premier (Mr. Davis) was nodding his head.

Mr. Lewis: When?

Mr. Deans: Have you not considered that already?

Mr. Lewis: May I redirect to the Premier, since Paris is in kind of a category of its own in respect to the community's hospital being closed, and an important one: Will he extend to Paris the same rights, since presumably they could achieve a similar divisional court decision had they chosen that route and they were waiting to see what the law would decree?

[2:15]

Hon. Mr. Davis: Mr. Speaker, I think there will have to be discussions with the Paris hospital. The decision of the government and the ministry was to have the Paris hospital become involved in the provision of chronic care with the utilization of a good portion of that facility. I think it would be wise for the ministry to discuss with the board and with the administration at the Paris hospital the question of whether or not there still remains, in their view—and it may not—a reasonable longer-term solution. I think that should be discussed.

If the board of the hospital in Paris determines that it wishes to take this, if it is not

satisfied with that sort of approach to the courts, then quite obviously, in that that has already been determined by the divisional court—which, as the minister said, the government will be appealing—there would be no need for the Paris hospital to go through that procedure.

I think it is also fair to state, though, that the hospital in the discussions should recognize that if the decision on appeal happens to reverse the divisional court, perhaps there is some merit in exploring the suggested solution to the situation in Paris before any decision is made.

Mr. Nixon: Am I to understand and therefore convey to the board of the Willett Hospital, which is in my constituency, that if it is its decision that it wishes to continue as an active treatment hospital it may do so without going through the court procedure? Did I detect—I wouldn't use the word "threat"—at least the position expressed by the Premier is that perhaps they had better consider that rather carefully in view of the possibility of the decision of the divisional court being reversed upon appeal?

Hon. Mr. Davis: Mr. Speaker, I'm trying to be as helpful to the people in Paris as I can. I'm pointing out—

Mr. S. Smith: You have already been very helpful.

Mr. Reid: What are you closing next?

Hon. Mr. Davis: I've always attempted to be helpful to the people in Paris.

Mr. Reid: A good Samaritan you ain't.

Hon. Mr. Davis: I had a very friendly chat with the mayor of that great municipality on Saturday last, as a matter of fact. A very reasonable gentleman, I might add.

Mr. Peterson: It was nice of him to speak to you.

Hon. Mr. Davis: What I was trying to suggest was that if it makes sense and if the board in its wisdom recognizes the merit of moving toward a chronic care institution, that should, I think, form the basis of some discussion before the board makes a decision. If it makes a decision that it would go the route of an appeal to the divisional court, I see no purpose to be served in that. We have the decision of the divisional court and I don't think any useful purpose would be served.

Mr. Nixon: That would give them six months.

Hon. Mr. Davis: Yes.

Mr. Bullbrook: Supplementary: Aside from Paris Willett, do I understand the response of the Premier to be that he regards the decision—the instant decision—of the divisional court to be universal in its application with respect to all orders in council passed which have now been found to be illegal and invalid?

Hon. Mr. Davis: No, Mr. Speaker. I think the hon. member for Sarnia would have to be more specific and refer to a specific order in council. I think that in terms of the appeal, obviously it relates to the specific cases or group of cases heard by the divisional court. This doesn't automatically extend, although I honestly don't know to which hospital the member for Sarnia would be referring that wouldn't be in that category.

Mr. Bullbrook: May I refer specifically to the Chesley hospital? Further, by supplementary, so that we understand this fully—I must say perhaps I'm unduly obtuse—I understood the instant response of the Premier to be that he regarded the decision of the divisional court to be applicable to Paris Willett; notwithstanding the technical aspects of individual orders in council, I understand them all to be pursuant to the same statute and do I not therefore understand they would be universal in their application?

Hon. Mr. Davis: Mr. Speaker, I think the only other one I can recall would be Chesley and I think the member for Sarnia, being very learned in the law, will recognize that Chesley is now closed and was closed prior to the decision of the court and that during the appeal process the traditional approach is that the status quo is maintained. I can't think to advise the board of Chesley as to what it may or may not decide to do, but I don't think it falls in the same category as those hospitals that have been ordered to close but for which the order was not to take effect until whatever date in June.

Mr. Bullbrook: If you would indulge me just for a moment, may—

Mr. Speaker: Order, please.

Mr. Lewis: I will indulge you happily; it is up to the Speaker.

Mr. Speaker: This will be the final supplementary on this at this time.

Mr. Bullbrook: I just want to say for the people of Chesley, are we given to understand that where the situation extant is a fait

accompli, the Premier will not, as they wish the division court judgement to be, make it retroactive to what it was prior to the order in council? I'd really like to understand that on their behalf, and mine also.

Hon. Mr. Davis: Mr. Speaker, I think, once again before making any commitment, because it does not fall into exactly the same category as the others there would have to be discussions between the people of Chesley and the Ministry of Health. I recognize it would be helpful from the standpoint of the member for Sarnia—on behalf of his colleague, who is not with us this afternoon, again—to see if he could not sweep them in—

Mr. Roy: Are you trying to say something?

Hon. Mr. Davis: Well, I say that very objectively. I know he is asking on behalf of his colleague that there should be discussions with the ministry before, certainly, the government could make any determination.

Mr. Roy: We talked nicely about you when you were not here.

Mr. Lewis: I have another question for the acting Minister of Health, if I may. While appreciating and valuing the process of judicial review and appeal, does it not strike the minister as a trifle ludicrous, in the name of restraint, now to face a situation where the hospital budgets for these hospitals will effectively be applied through this entire fiscal year, when the amounts of money originally conceived to be saved were over-inflated anyway, and when the minister learned in the interim that she could save a lot more from private labs alone? Why not leave the hospitals alone and stop harassing them?

Hon. B. Stephenson: Mr. Speaker, obviously my sense of humour is not exactly the same as that of the Leader of the Opposition. I do not think it has been a ludicrous exercise at all, nor has the Ministry of Health been harassing any institution.

Mr. Deans: Oh, you have.

Hon. B. Stephenson: If, in fact, the hon. Leader of the Opposition listened carefully to what I said, I suggested that the budgets of the hospitals for the next period of six months during the appeal process would, in fact, be discussed with those hospitals by the Ministry of Health on the same basis that all the other hospitals in the Province of Ontario are presently funded.

Mr. Shore: How do you like your job now?

LAURENTIAN HOSPITAL

Mr. Lewis: I won't assume that's a threat. I'll go to another question to the acting Minister of Health: Why did she not tell us in the Legislature, when we were questioning her about the Laurentian Hospital, of the subsequent directive from Commissioner Waisberg, her letter requesting the resignation and the things which occurred thereafter, rather than simply talking about the Waisberg report which directly contravened Lebel's presence on the board? Why didn't she just tell us about all of that?

Hon. B. Stephenson: Mr. Speaker, to the best of my ability I did tell the members what we had done within the Ministry of Health in order to comply with the recommendations made by Judge Waisberg in his interim report. I did not announce the second letter because it simply confirmed the first, and we had already carried out the first directive.

Mr. Singer: Oh, come on.

Mr. Deans: You didn't tell us he was being asked to resign.

Mr. Lewis: By way of a supplementary, if I may very quickly: Given the consternation in the Sudbury area of J-P. Lebel still being on the board, why was it not possible for the minister simply to ask her colleague to revoke the charter of the hospital and reconstitute it with the new board so that Lebel is effectively off? Secondly, how wide is the minister going to open the membership in Sudbury that will elect the new board? How broad will the community representation be?

Hon. B. Stephenson: Mr. Speaker, as with any corporation, and particularly a hospital corporation, the membership of the corporation usually depends upon a financial donation to that institution. The financial donation is usually relatively small, so that the membership of the corporation could be very broad. In fact, we are awaiting the final report—

Mr. Martel: Accept the interim.

Hon. B. Stephenson: —of Judge Waisberg's investigation. It seemed to be inappropriate to do other than to follow the directions Judge Waisberg very explicitly gave to us regarding the interim appointees to a board that he felt should be appointed to function on behalf of that hospital until the annual meeting of the corporation could be held.

Mr. Singer: Supplementary: Wouldn't the minister agree with me that, in view of the character of the evidence that came out at

that commission conducted by Judge Waisberg, one must look askance and wonder how a man like Lebel, about whom those things have been said, is allowed to defy Judge Waisberg's recommendation and the minister's request? Has the minister not sought appropriate legal advice to figure out how to get rid of Lebel immediately, pending receipt of the final report from Waisberg?

Hon. B. Stephenson: Mr. Speaker, it is quite possible for any member of that corporation, or any interested citizen in Sudbury in fact, to take this matter before the courts in Sudbury to a judge, as to whether, in fact—

Mr. Lewis: Why?

Mr. Singer: But the government can do it. The minister is allowing herself to be defied.

Hon. B. Stephenson: —Mr. Lebel is an appropriate member of the board or not.

Mr. Deans: How long are you going to wait?

Hon. B. Stephenson: We are awaiting the resignation of Mr. Lebel. He has been asked to submit it and there is no legal power—

Mr. Lewis: You can revoke the charter and get rid of the director.

Hon. B. Stephenson: —within the Ministry of Health nor within the Lieutenant Governor in Council to revoke a director of a corporation.

Mr. Warner: But you can close the hospital.

Mr. Speaker: Order.

Mr. Singer: You have covered the thing up all the way through, including the nomination—the nonsense of the nomination.

Mr. Speaker: Order. The hon. member for Wilson Heights, order.

Mr. Lewis: Why is the minister pointing at Vernon? Now, listen to Donald.

Mr. MacDonald: Supplementary: Has the acting Minister of Health considered action parallel to that of the Minister of Agriculture and Food (Mr. W. Newman) a few weeks ago when he had certain undesirable members on a board? He exercised his power by eliminating the board and reappointing the desirable ones.

Hon. B. Stephenson: Unfortunately, there is some difference in the nature of appointments to the board of a hospital because they are elected by members of the corporation.

Mr. MacDonald: Cancel the charter.

Mr. Speaker: A final supplementary, the member for Sudbury East.

Mr. Martel: Is it because, as Mr. Lebel indicates, he has the Ministry of Health in his hip pocket, that the minister can't get rid of him?

Hon. Mr. Davis: Come on.

Hon. B. Stephenson: Mr. Speaker, I think that is the most ludicrous suggestion I have heard today.

Interjections.

Mr. Speaker: Order, please. We cannot hear the next question.

DENTAL CARE IN NORTHERN ONTARIO

Mr. Lewis: Now that we have learned, I think for the first time, that we can't have dental care because of the shortage of northern dentists, can the minister explain why it is that the government of Ontario has never followed the request of Dr. Feasby, the senior dental consultant to the Ministry of Health, who asked for 30 additional mobile units through northern Ontario, which he believes, in conjunction with the OMA, can be appropriately manned by dentists, rather than the two mobile units that the ministry now has in order to speak to the problem she describes?

Hon. B. Stephenson: Mr. Speaker, I am not sure of all the background information regarding that specific question but I shall attempt to find out why it has not been complied with and report to the House.

Mr. Reid: Is the minister aware of the number of communities in northern Ontario—two-thirds of the land mass of the province—which aren't covered by any dental care at all? Would she not agree that two mobile units cannot possibly service those areas?

Hon. B. Stephenson: Yes, Mr. Speaker, I would agree it would be very much better, I would think, for the people of the north if we could persuade dental students to practise within the northern area. We have had some success with the designated area programme. The success, however, is not great enough and I would submit that is only one of the reasons for which we cannot, at this present time, probably nor possibly include a dental care programme.

Mr. Lewis: But it doesn't work.

Mr. Stokes: Is the minister aware that it costs the taxpayers of the Province of Ontario collectively approximately \$250,000 to train a dentist? Since residents in northern Ontario are also taxpayers and since we have communities in the north that haven't had a visit from a dentist in seven years, doesn't she think it is time the Ontario Dental Association and the Ontario Ministry of Health took the initiative to provide enough mobile clinics and enough visiting or rotating dentists to serve at least the emergency and the basic needs of people who need this service so badly in northern Ontario?

Hon. B. Stephenson: Mr. Speaker, I am sure the hon. member from the north will be happy to know that—

Mr. Deans: You have been doing that for years—

Hon. B. Stephenson: —the Ministry of Health and the Ontario Dental Association are presently discussing and negotiating for improved service in the north. I would remind the hon. members that while it may cost that amount to produce a dentist in the Province of Ontario—I am not sure of that figure—it costs an equal amount of money to produce a physician, a lawyer, a teacher or an accountant and perhaps we should persuade all of those to practise at least for a period of time in the north as well.

Mr. Speaker: A final supplementary, the member for Port Arthur.

Mr. Foulds: Thank you, Mr. Speaker. To the acting Minister of Health: If her colleague, the Minister of Colleges and Universities (Mr. Parrott), can so blithely direct nurses, as he did earlier today, to go to Manitoba or Timbuktu for that matter, cannot her ministry direct dentists to northern Ontario?

Hon. B. Stephenson: We can indeed hope to persuade and encourage dentists to do just that. That is what I was attempting to do yesterday.

[2:30]

SUPPLEMENTARY FUNDS FOR EDUCATION GRANTS

Mr. Lewis: I have a very quick final question for the Minister of Education. In view of the crisis which is emerging in a number of rural counties in Ontario—Renfrew, Lanark and Dufferin come to mind—over the increased costs of education assumed by the

local taxpayers, is there something he might do to revise the subsidy for rural bus transportation, since that seems to be the single most vexing part of the budget and the single most difficult part for them to handle?

Mr. Deans: Maybe you can get more rumps in one bus.

Hon. Mr. Wells: I would reject the use of the word "crisis" as developing in rural Ontario. There is no crisis developing. I think, as my friend knows, there is a logical concern about mill rates and charges for education across this province. They are concerned. There have been changes in the grant regulations. The restraint programme of this government, the commitment to give nine per cent more money for education this year, has caused certain belt-tightening to occur, and it has been explained to all the boards across this province. When they look at what's actually happened to mill rates over the last five years, a lot of them find that the increase on the local level is not that horrendous, although it's coming in one year. As to the fact of these substantial resources that this government has put in over a long time, the record's there for all to see.

I appreciate there are problems with transportation. We are happy to hear from boards about what those problems are. They will all be taken into consideration in the kind of grant regulations that will be devised for next year. But I cannot assure any of them there will be any change in the moneys available this year. The grant rates are set and the money we have got is set. They have been informed about it and there's no way that we have any more money. It has all been distributed.

Mr. Foulds: Supplementary: Does the minister not now realize that, having implemented the grant structure he did this year in response to a Liberal policy, he has created a disparity between rural boards and urban boards, and that the equality of education he likes to talk about and has talked about for the last 10 years will be destroyed if this trend is continued?

Hon. Mr. Wells: No, I don't accept that at all. First of all, the policy that we adopted was not because of a Liberal platform policy plank. It was an ongoing policy of this government well before the Liberals even thought about it.

Mr. Peterson: Be charitable.

Hon. Mr. Bernier: Take that, Mr. President.

Hon. Mr. Wells: As my friend knows, the policy of concern and restraint in spending in the educational field—and I will deal with that—has been a policy of this government for the last five years. We have had educational spending ceilings. Members opposite have criticized those. We now have a different form of accountability and responsibility in educational spending which allows for local involvement, local payment and local accountability.

Interjection.

Mr. Speaker: Order, please.

Hon. Mr. Wells: I am concerned. If there is developing a sense of disparity between the rural areas and the urban areas, then that would be looked at very carefully. But I do not believe that is developing as some would have one believe. I hear more complaints from the urban areas in Metropolitan Toronto than I do from the rural areas, that Metropolitan Toronto is not being—

Mr. Lewis: You're listening to the Metro politicians.

Hon. Mr. Wells: —given enough money, which we reject. But over the long run we certainly are concerned about the differences and the equality of educational opportunity. These things will be considered as we look at the ongoing situation.

CANCELLATION OF SCHOLARSHIP TESTS

Mr. S. Smith: I will question the Minister of Education while he's warmed up. Could he explain to the House please why it is that his department has so little regard for excellence in education and for standards in education that it felt compelled to have York University cancel a biology test designed for grade 13 students for scholarship purposes? Is it not a fact that there is, as reported, a similar chemistry test at the University of Waterloo without such a fuss?

Hon. Mr. Wells: As I recall that particular test, we were asked our opinions about it and I think the deputy minister responded on my behalf to York University. I think what we were pointing out was that we were worried that the school programme would be directed toward the passing of that test rather than the assimilation of knowledge in that particular area.

I will be glad to look into it a little further and give the member a more detailed answer on it. But certainly I would have to reject the preamble to the question that we are not con-

cerned about standards and excellence because that is what we are very basically concerned about—standards, excellence and quality for every student in this province; not some students, but every student.

Mr. S. Smith: Supplementary: I appreciate the statement of the minister that he's in favour of excellence and standards, but would he not agree with me that by cancelling such opportunities as may exist to measure both standards and excellence, in point of fact he makes it virtually impossible for such standards to be meaningfully implemented by school boards, parents, students, teachers and universities?

Interjections.

Hon. Mr. Wells: If my friend thinks that a biology test which York University wants to run will establish standards in the Province of Ontario, and in the long run will benefit all the students of this province, I think he's wrong.

Mr. S. Smith: It would establish them for York University. That would be a start.

Mr. Speaker: Order, please.

Mr. S. Smith: I can appreciate the sensitivity of those people who have had traumatic episodes with examinations—

Mr. Speaker: Is this a further question?

Mr. S. Smith: —but still the fact remains that there are some people—

Mr. Yakabuski: Question, question.

Interjections.

Mr. Speaker: Order, please. Would the hon. member ask the question? Thank you.

Mr. S. Smith: Could the minister please explain on what basis York University—

Interjections.

Mr. Speaker: Order. We can't hear the hon. member.

Mr. Cassidy: Get him to read his transcript, Mr. Speaker.

Mr. Speaker: Order, order. The hon. member for Hamilton West was asking a question.

Mr. S. Smith: Could the minister explain on what basis York University is in fact to decide which are the outstanding students of great potential in the field of biology, or are they simply to forget about that possible decision? Has the minister consulted at all

with the Minister of Colleges and Universities (Mr. Parrott) about this particular matter?

Mr. Yakabuski: How do you feel about it, Albert?

Hon. Mr. Wells: I'm going from memory on the York University test, and I'd like to refresh my memory before I respond to it, but let me just say that if York University wants to conduct some tests on its own time, with its own money, and asks students to write them, I don't have any objection to that. But if they expect the secondary school system of this province to do their work in selecting and deciding which students should go to York University, and therefore stream every student and develop the whole secondary programme so that York University's needs can be served, then I don't support that kind of a programme.

Mr. S. Smith: Why don't you send some more straw men?

Hon. Mr. Wells: I support a programme that educates every young person in the best way possible with a quality education to achieve his greatest potential—

Mr. Smith: But not to measure it.

Hon. Mr. Wells: Not to measure who York University might want or not want; that's up to York University.

Mr. S. Smith: By which standard will you measure it?

HOSPITAL CLOSINGS

Mr. S. Smith: A question of the Premier: I would like to follow up on the question that was asked by my colleague, the member for Sarnia (Mr. Bullbrook). Could the Premier please explain to me very carefully, so that all of us who do not have fine legal minds can understand it—

Mr. Deans: He can't.

Mr. Cassidy: You're abandoning your potential.

Mr. S. Smith: —precisely how it happened that the board of governors of the Chesley Hospital are to be forced back into the court situation to try to get exactly the same redress for the illegal way in which they were closed, that the other hospitals have been able to get? Why are they being singled out simply because of the difference in the calendar and the fact that the government managed to make it a fait accompli? How is the

legal situation any different for them than what it has been for the other hospitals that the government has closed in this province? Why is the government picking on them?

Hon. Mr. Davis: I'll try to explain this in other than a legal approach, because I know the leader of the Liberal Party is very modest in his assessment of his own capacities; this has been a characteristic that he's demonstrated since coming into the House.

Mr. S. Smith: You're right, you are absolutely right.

Mr. Cassidy: And he still exaggerates.

Mr. S. Smith: Let's get to the point.

Hon. Mr. Davis: I wouldn't want him to go through any traumatic experience like the students who aren't taking the test at York. I can give the hon. member an even longer answer on that one; he should just consult with the former leader of his party about the time we were discussing the whole question of external examinations and grade 13; it makes interesting reading.

Mr. Reid: He still wouldn't know what you're talking about.

Mr. S. Smith: The Premier is going to run on his record—not the former leader's or Mr. Trudeau's.

Hon. Mr. Davis: However, Mr. Speaker, I'll try to go through it again if I can—and I'm not giving a legal opinion—

Mr. Roy: No. I wouldn't want your legal opinion.

Hon. Mr. Davis: I wouldn't advise the member for Ottawa East.

Mr. Roy: I would like the divisional court's opinion on your legal opinion.

Mr. Speaker: Order, please.

Hon. Mr. Davis: He certainly wouldn't want a legal opinion from me, and I wouldn't give it to him. I wouldn't give one to the member for Sarnia (Mr. Bullbrook); his marks were always better than mine.

Mr. Reid: The courts have told you what they think of your legal expertise.

Mr. S. Smith: What about Chesley?

Hon. Mr. Davis: Mr. Speaker, what I tried to explain to the member for Sarnia, who I think asked the same question, was that there were some hospitals—

Interjection.

Hon. Mr. Davis: It is the same question; I think it's the same and I'll try to give the same answer—close to the same.

Mr. S. Smith: Why are you picking on Chesley?

Hon. Mr. Davis: I am not picking on anybody, not even the leader of the Liberal Party. Although the temptation is great, I do not intend to do so.

An hon. member: Why not?

Hon. Mr. Davis: What I tried to explain to the member for Sarnia was that there were some hospitals which made an appeal to the divisional court. They made a decision. I was then asked by the Leader of the Opposition, I think with respect to Paris where the hospital was under that same order in council, where the order was to take effect at some date in the future—some months from now, whenever—where the divisional court said with respect to the other hospitals that in their view—and I emphasize, in their view—the cabinet did not have the legal right to pass such an order in council.

Mr. S. Smith: For Chesley too.

Hon. Mr. Davis: I suggested that after consultation with the Paris hospital, where we have made a suggestion that a chronic care type of institution would be in the better interests of the health needs of that community, we would not suggest that they go through the process of referring it to the divisional court. I also suggested to the member for Sarnia that we would be prepared to talk to Chesley, but the order has been in effect, the institution has closed, and I am suggesting that during the course of the appeal there might be some merit in maintaining the status quo there until the appeal is heard and a decision is made. I am just trying to be as helpful as possible.

Mr. S. Smith: Supplementary: What difference does it make? If the order in council was illegal for Durham and for Clinton, then the same order in council, by the same statute, was illegal for Chesley. Does the Premier not agree? And does he not agree, therefore, that it is unfair to put Chesley to the trouble of going to court about this when he is not insisting that all the other hospitals go to court over it?

Hon. Mr. Davis: Mr. Speaker, all I am saying is that there is a difference, the ministry would be quite prepared to discuss it with Chesley hospital, and that in the light

of the fact that they have closed—and this is a fact, they have done so—there might be some merit on their part in awaiting the determination of the appeal.

Mr. Reid: How do you open a hospital after that?

Mr. Lewis: Supplementary: Since there may also be merit in trying to retain the staff which is now being dispersed, and the medical practitioners who are looking elsewhere, and the heart and soul of the community which is kind of poised at the moment on it, would the Premier not also be willing to consider with Chesley, given the findings of court in their specific case, that they might also be allowed to continue open over the few months? In other words, I trust he will consider the option, given what is at stake for the community?

Hon. Mr. Davis: Mr. Speaker, we are quite prepared to discuss any alternative in the light of the divisional court's decision, but I do point out that I am not giving a commitment at this stage until those discussions take place, that there is a difference. In a further answer to the leader of the Liberal Party, if memory serves me correctly, and I am going by press reports, at one time he went publicly on record as saying that Chesley Hospital is one of those that should close. That is my recollection.

Mr. Lewis: That's right.

Mr. Shore: That's not the issue.

Mr. S. Smith: That's not a fact, and it is not the issue.

Mr. Speaker: Order please, we will have one more supplementary. The member for Wilson Heights with a final supplementary.

Mr. Singer: Mr. Speaker, would the Premier not agree that it is not a matter of discretion, or kindness, or exercising your beneficence, but that Chesley should have the same rights which the other hospitals were given by the divisional court yesterday, and that they have a perfect right to open if they choose; and that therefore they should get the same funding the acting Minister of Health talked about earlier this afternoon?

Hon. Mr. Davis: Mr. Speaker, I will not go through the whole exercise again. I have never said that they would not.

Mr. S. Smith: Thank you.

DUST PROBLEMS AT FORT FRANCES PAPER MILL

Mr. S. Smith: One last question of the acting Minister of Health: Is she aware of the dust problem in the Fort Frances paper mill; and can she tell us something about why the ministry's procedure for inspection is such that, in fact, it can't get its inspectors there at some point during a three-day run when they are running through the TV Guide-type paper?

Hon. B. Stephenson: No, Mr. Speaker, I am not aware of that specific problem, but I shall investigate it and report to the House.

Mr. Lewis: Are you going to make a cause célèbre like Chesley again? Do we have to have an emergency debate on this?

Mr. Speaker: The hon. Minister of Government Services has the answer to a question asked previously.

Mr. Bullbrook: Is this a question from Bob Eaton?

EXPENDITURE ON PARKING LOT

Hon. Mrs. Scrivener: Mr. Speaker, this is a reply to a question asked in the Legislature last week by the member for Thunder Bay.

Mr. Lewis: There is no member for Thunder Bay.

Mr. Foulds: Fort William.

Hon. Mrs. Scrivener: There are presently 210 paved parking spaces at the Consolidated Building location in Thunder Bay, about which the member inquired.

Not only are these facilities filled each day, but many additional vehicles are parked on the surrounding streets, especially on James St. This has led to a hazardous traffic condition, and it is apparent that the problem will only be solved by the provision of additional off-street parking at this location.

The Ministry of Government Services has been able to obtain an additional 2.8 acres adjacent to the existing lot, and it is expected that accommodation for further 190-200 cars will be provided in the expanded lot.

The existing asphalt surface will not be resurfaced as part of this project.

[2:45]

Mr. Angus: Is the minister now saying that the mini-Queen's Park at Thunder Bay was not adequately planned to meet the needs of the community and that, in fact, she had to

acquire additional land, even though the former Minister of Government Services assured the people of Thunder Bay that was all the land that was needed for eternity and that was the right place to put it. Do you now agree that was not the right place to put the government complex?

Hon. Mrs. Scrivener: Mr. Speaker, this is not so.

DEATH OF DOMINIC GORERI

Mr. di Santo: I have a question of the Minister of Labour, Mr. Speaker. Can the minister tell us how it is it took six months for a report to reach the coroner, Dr. Margaret Milton, from the inspectors of the Labour Ministry on the death of Dominic Goreri; as was reported to the minister last week? And also why it took four months for the Workmen's Compensation Board to compensate his widow?

Hon. B. Stephenson: Mr. Speaker, the recommendations of the coroner's court were examined carefully by the various branches of the Ministry of Labour and did require some time for particular response. I can't tell you at this point why it took four months for the Workmen's Compensation Board to respond or to provide funding for the widow in that case, but I shall most certainly explore that to give you the information.

Mr. di Santo: Supplementary, Mr. Speaker: While the minister is reporting to the House, will she also provide an answer for the House on the question of the coroner in relation to the testimony of Joseph Yorke of the construction safety branch of the Ministry of Labour who said that the ministry can charge only the companies in weak financial position; which has prompted the coroner to ask whether the government has two ways of applying the law, one for the rich and one for the poor?

Hon. B. Stephenson: Mr. Speaker, of course that statement is entirely erroneous in its content; but I shall attempt to find out where it was made and why it was made.

LAKESHORE PSYCHIATRIC UNIT

Mr. Stong: Mr. Speaker, I have a question of the acting Minister of Health. Can the minister tell us what steps she has taken to guarantee that the internal staff strife, the conflict between the ministry and the staff, and the threatened mass resignation of staff

at Lakeshore Psychiatric Hospital will not severely jeopardize the health care of the 25 in-patient adolescents and the 315 out-patient children?

Hon. B. Stephenson: Mr. Speaker, it is my understanding that the threat was made on the basis of a potential resignation of the chief of the adolescent unit at Lakeshore Psychiatric Institution. I know of no other reason for that threat at this time. I am informed that Dr. Marcillio did verbally submit a resignation to the administrator of that institution. I can assure this House that resignation has not been accepted by the Ministry of Health, nor will it be accepted until the problem of the potential relocation of the Lakeshore Psychiatric facility for adolescents and children is in fact settled by the joint discussions which are going on right now.

Mr. Stong: Supplementary, Mr. Speaker: Is the medical director acting on instructions of the Health Ministry in not renewing the contract of the director of child and adolescent care?

Hon. B. Stephenson: Mr. Speaker, most assuredly he is acting upon his own volition in this area. I said specifically that the resignation was verbal. It has not been accepted and in fact will not be accepted until the problem is settled and it can be considered in the light of the new location.

HOSPITAL CLOSINGS

Mr. Grossman: I have a question of the acting Minister of Health, just on a point of clarification. The simple question being asked by staff and doctors of the Doctors Hospital is whether or not there is going to be an assured period of time in which they will be getting funding. Do I understand the minister's statement to say, in other words, that they can be sure that, regardless of when the appeal is heard or what further steps result, they will receive funding for six months; or can you at least give them a shorter but definite period so they can plan their future? In other words, will there be funding for six months if you can work out a funding arrangement? Is there a definite six months?

Hon. B. Stephenson: Mr. Speaker, the funding of the Doctors Hospital as an institution will be continued for six months. If the appeal is not, in fact, finalized by that time, extension will be considered at that time.

Mr. Foulds: Mr. Speaker, don't take it personally, but as the cameras are now out of the gallery, I wonder if the lights could be dimmed for us?

PORT ARTHUR CLINIC DISPUTE

Mr. Foulds: A question of the Minister of Labour: Could the Minister of Labour inform us how she responded to a letter of April 15 from Lenore Lang and 22 other employees at the Port Arthur clinic? And can the minister account for the failure of the Ministry of Labour to achieve a contract at the Port Arthur clinic as the first term of that agreement, if it had been achieved, would have expired on April 30?

Hon. B. Stephenson: Mr. Speaker, the hon. member for Port Arthur knows very well the amount of effort and energy which has been expended in the attempt of the Ministry of Labour of this province to achieve a negotiated agreement between the members of the staff of the Port Arthur clinic and the clinic group itself. We have, in fact, employed some new mechanisms in order to achieve such an agreement.

We have not been successful. We have had discussions with the leaders on both sides and we have not, I regret to say, been able to resolve the differences.

Mr. Foulds: If I might, Mr. Speaker, very quickly: Has this particular tragic case given the minister any thoughts for revision of the Labour Relations Act that would ensure that in these circumstances bargaining in good faith takes place and an honourable contract could be achieved?

Hon. B. Stephenson: Almost every difficult negotiating situation does give us ideas about potential modifications to the Labour Relations Act. This one is not excepted.

SAFETY OF HYDRO LINES

Mr. Reed: Mr. Speaker, I have a question of the Minister of Agriculture and Food. Would the minister please advise us if he is satisfied that 500 kV electrical corridors are safe to work under with agricultural equipment, considering some recent information from people who have experienced voltage buildup on rubber-tired equipment insulated from the ground?

Hon. W. Newman: Mr. Speaker, I think that question should be more properly

directed to the Minister of Energy (Mr. Timbrell), but I do—

Mr. Reed: Could the minister answer in the Minister of Energy's absence?

Hon. W. Newman:—know that while most farmers do work underneath those Hydro lines there is a height limitation on the kind of equipment which Hydro says is safe to go under those lines.

Mr. Reed: Supplementary.

Mr. Speaker: We will allow a supplementary.

Mr. Reed: Is the minister aware of some cases that are now on record of voltage buildup on equipment which is insulated from the ground?

Hon. W. Newman: Mr. Speaker, I've heard a lot of stories, but I haven't seen any actual instances of it.

ENCEPHALITIS VACCINE

Mr. Kennedy: Mr. Speaker, a question to the acting Minister of Health. Is there a vaccine against encephalitis? If not, is it possible to have a vaccine of this nature developed; and is there any progress in this direction? Is it feasible?

Hon. B. Stephenson: Mr. Speaker, thus far there has been no vaccine developed against the St. Louis encephalitis, which I believe is the variety—

Mr. Reid: Can't you do something about that? Do something about the common cold while you are at it.

Hon. B. Stephenson:—that the member is speaking of—the one which is transmitted by mosquitoes?

Mr. Kennedy: Yes.

Hon. B. Stephenson: Yes. Although several attempts have been made to develop a vaccine against this virus, they have been thus far totally unsuccessful, so at the present time we must rely on destroying the vector, which is the mosquito.

ORGANIZED CRIME

Mr. Breaugh: Mr. Speaker, I have a question for the Solicitor General: I'd like to know on what basis he arrived at the following position on dealing with organized crime—this

is from the Solicitor General's annual report for 1975:

Our current assessment of organized crime is that it constitutes a highly profitable business. Our efforts to contain it must therefore be designed to accomplish two distinct objectives: First, to increase their operating overhead; and secondly, to decrease their profit margin.

Could I ask how the minister arrived at that imaginative conclusion and how does he intend to implement this new crime-fighting technique that he's got?

Mr. Shore: Increase taxes.

Mr. Peterson: More competition.

Mr. Reid: The government's going into the business.

Mr. S. Smith: Nationalize them.

Hon. Mr. MacBeth: Mr. Speaker, I read that statement with some amazement myself. It did make sense to me in that if one can cut down their profits perhaps they wouldn't be as successful as they are.

Mr. Breagh: Or charge more.

Hon. Mr. MacBeth: We'll have more to say about it when my estimates come up shortly, sir.

Mr. Breagh: I have a supplementary on that one, Mr. Speaker.

Mr. Speaker: Is it a very short supplementary?

Mr. Breagh: Yes, it's a short one. I want to know if he's prepared to transfer that to Consumer and Commercial Relations?

Hon. Mr. MacBeth: They're trying to work in reverse, Mr. Speaker.

TILE DRAINAGE LOANS

Mr. Riddell: I have a question of the Minister of Agriculture and Food, Mr. Speaker. Assuming he has received replies to the letters he sent out to the various municipalities across Ontario asking for their commitments to the applicants for tile drainage loans; assuming he has received replies indicating most of the municipalities have over-committed themselves; and assuming that farmers have put in tile already on the strength of approvals being given to them for tile drainage loans, what is he going to do to assist those farmers and those municipalities out of their present dilemma?

Hon. W. Newman: Mr. Speaker, I'm glad the member knows what tile drainage is.

Mr. S. Smith: If it comes from that side of the House the minister has got to know about all kinds of drainage, believe me.

Hon. W. Newman: I know; the member is good at spreading it, too.

Mr. Ruston: They have got a big drain, too.

Mr. Speaker: Order, please. We're just about out of time. Let's get on with the question period. Thank you.

Hon. W. Newman: Mr. Speaker, as I said last week, we have sent out letters to all the municipalities in the Province of Ontario asking what commitments they had made up to April 1. We have not got all those answers back. We anticipate we will have them all back within 10 days and then we'll have to reassess the whole situation on the commitments actually made.

Mr. Riddell: A supplementary: Assuming the minister has received some letters back and they have been indicating to him, as they certainly have been to me, that they have over-committed themselves, does he foresee some financial assistance forthcoming for those farmers even if he has to go to his cabinet colleagues to get more money in order to step up the budget for these tile drainage loans?

Hon. W. Newman: Mr. Speaker, I can't assume anything until I get all the facts and figures in.

Mr. Speaker: The oral question period has expired.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

PUBLIC TRANSPORTATION AND HIGHWAY IMPROVEMENT AMENDMENT ACT

Hon. Mr. Snow moved first reading of bill intituled, An Act to amend the Public Transportation and Highway Improvement Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Snow: Mr. Speaker, this bill is of a housekeeping nature, which includes an updating of the titles of ministry officials

authorized to sign plans registered in land registry offices, corrects legal descriptions and documents, and confirms that orders in council designating controlled access highways are registerable in the same manner as those that designate King's highways.

It corrects the drafting defect that had the result of making the ministry's control of construction by permit apply within specified distances from the limits of King's highways but not within the right of way itself. The bill also further implements the government's policy of delegating authority for local matters to municipalities, by removing the requirement for ministerial approval of designations of municipally controlled access roads and agreements between municipalities to widen roads.

[3:00]

FAMILY BENEFITS AMENDMENT ACT

Mr. Martel moved first reading of bill intituled, An Act to amend the Family Benefits Act.

Motion agreed to; first reading of the bill.

Mr. Martel: Mr. Speaker, the purpose of the amendment is to remove any reference to the sex of the parent, thereby enabling either the mother or the father of the child to be eligible for family benefits.

JUDICIAL REVIEW PROCEDURE AMENDMENT ACT

Hon. Mr. McMurtry moved first reading of bill intituled, An Act to amend the Judicial Review Procedure Act, 1971.

Motion agreed to; first reading of the bill.

Hon. Mr. McMurtry: Mr. Speaker, this is a housekeeping amendment requested by the Chief Justice of the High Court, Province of Ontario. Section 6, subsection 2 of the Judicial Review Procedure Act allows an application for judicial review to be heard by a single judge of the High Court in cases of urgency where the time involved in an application to the divisional court is likely to result in a failure of justice. However, subsection 4 of section 6 as presently worded can have the effect of delaying rather than expediting the matter for permits and appeal to the divisional court from the final order of the High Court. This amendment remedies the defect by making the disposition by the High Court appealable only to the court of appeal, with leave of that court in the same

manner as an appeal from the divisional court.

SUCCESSION LAW REFORM ACT

Hon. Mr. McMurtry moved first reading of bill intituled, An Act to Reform the Law respecting Succession to the Estates of Deceased Persons.

Motion agreed to; first reading of the bill.

Mr. Lewis: This is too complicated to deal with. It should not be brought before the House.

Hon. Mr. McMurtry: Mr. Speaker, I am pleased to introduce for first reading a bill that will bear the short title, the Succession Law Reform Act, 1976. This bill represents the second stage of a comprehensive reform of family law begun with the Family Law Reform Act, 1975. The Family Law Reform Act equalized the legal status and capacity of men and women. The present bill extends the equality of the sexes into the law of succession.

This fundamental theme of equality will be further reflected in a future bill that the government hopes to bring forward for first reading this session to effect a comprehensive reform of matrimonial property and support law. By removing the consequences of illegitimacy in inheritance matters, the bill before the House introduces the additional principle of equality between children of a deceased person whether those children were born within or outside marriage. It removes matrimonial misconduct as an absolute defence to a widow's claims to property or support from her husband's estate. It will equalize the role of conduct and claims by both widows and widowers.

The bill, Mr. Speaker, consists of five distinct parts: Part I, testate succession, replaces the existing Wills Act; part II, intestate succession, replaces those sections of the Devolution of Estates Act dealing with the rules for distributing the property of a person who dies without a will.

Part III, survivorship, replaces the existing Survivorship Act and provides new rules for distributing the property of two or more persons, such as a husband and wife, who die in a common disaster; part IV, support of dependants, replaces the existing Dependants' Relief Act; part V provides for consequential amendments to three statutes administered by my ministry.

The provisions of part I, relating to wills, are largely technical in nature. They are

substantially identical to the provisions of the uniform Wills Act adopted by the Conference on Uniformity of Legislation in Canada with the modifications recommended by the Ontario Law Reform Commission and the Canadian Bar Association, wills and trust subsection.

The new sections recognize two new kinds of wills: Firstly, the holograph will, which is a will written wholly in the testator's handwriting without the signature of any witnesses; and, secondly, the international will which is virtually the same as our existing form of will. The international will was created by an international convention as a device to make it easier to administer estates of persons domiciled in one jurisdiction who own property located in another jurisdiction.

Part II of the bill contains the rules for distributing the property of a person who died partially or wholly intestate. The surviving spouse's preferential share of the deceased's property is to be increased from \$50,000 to \$75,000 and the spouse will receive part of the preferential share in the case of partial intestacy. The widow's election under the existing legislation will be reversed so that she will automatically receive her share of the estate under part II unless she specifically chooses to take her dower.

Matrimonial misconduct will no longer operate as an automatic bar to a widow's rights on an intestacy. The distributive share of the estate for widows and widowers will be equalized, and when there are no children the surviving spouse will take all of the estate to the exclusion of next of kin.

Part III of the bill adopts the basic principle of the uniform Survivorship Act. Where two or more persons die at the same time or in circumstances where it is difficult to tell which survived the other, the property of each will be distributed separately. This reverses the existing rule which can result in all of the married couple's property going to only one side of the family.

Part IV contains most of the provisions of the uniform Dependants' Relief Act. The principal change under this part is that family members who are not adequately provided for after the deceased's death will be able to make a claim against the estate whether or not the deceased left a will. The class of persons entitled to claim will be expanded to include children born outside marriage, a common-law spouse, a former spouse receiving support from the deceased under a separation agreement or court order, parents, brothers and sisters.

Matrimonial misconduct will not automatically defeat a widow's claim for support but conduct will be one of some 14 factors taken into account by a court in assessing claims against the estate by both widows and widowers. Certain property over which the deceased retained control before his death but which does not form part of his estate, such as a gift mortis causa, will be deemed to be part of his estate for the purposes of a claim for support.

Part V contains amendments to the Compensation for Victims of Crime Act, 1971, the Fatal Accidents Act and the Perpetuities Act, which will standardize the definitions of child and common-law spouse used in those Acts with the definitions in this bill. The Fatal Accidents Act will be broadened to permit claims by common-law spouses, children born outside marriage, brothers and sisters of the deceased.

This bill is obviously an extremely important piece of legislation. It replaces all of the existing statutes relating to the rules of succession and claims of support on the estate of a deceased person, some of which are well over a century old. The government will welcome discussion and suggestions for improvements from the general public and from professionals who deal with these areas of the law. We are prepared to consider amendments where it is felt that changes in the bill would better meet the needs of today's society.

In proposing changes, however, one must keep in mind the underlying philosophy of the bill. That philosophy may be summarized under four headings:

1. The removal of the consequences of illegitimacy in estate matters by equalizing the treatment of children born within or outside marriage.
2. The introduction of a consistent approach towards the rights of the common-law spouse to make a claim for an allowance in succession law matters in accordance with the limited rights which have for years been accorded to the common-law spouse under a number of Ontario statutes.
3. The removal of matrimonial misconduct as a complete defence to property and support claims by widows and equalization of the role of conduct in considering the claims of both men and women.
4. A general modernization of the law to bring it more in tune with the values and expectations of today's society.

As I mentioned, this is the second step in the government's continuing programme of family law reform. We hope to bring forward

further legislation for first reading this session which will carry the basic principles of this bill into the matrimonial property and support obligations.

An hon. member: Are you making it retro-active?

Mr. Roy: Why don't you do away with the dower? Are you doing away with the dower?

Hon. Mr. McMurtry: Pretty well.

Mr. Foulds: On a point of order, Mr. Speaker, while we appreciate the Attorney General's extensive statement on first reading, I hope you recognized that you established a precedent that would give private members an equal right for such an extensive explanation of a bill on first reading.

Mr. Speaker: Order, please. The rule and the order and the privilege are to explain the principle of the bill. This is a fairly thick bill, so I can understand the length. No debating went on and this is the point we have to abide by. The statement may include what the bill is about.

Mr. Foulds: To the point of order though, Mr. Speaker, I submit that the same would apply to a private member submitting an equally complex bill, because the minister could otherwise have made the explanation, as many ministers do, during ministerial statements before the introduction of the bill.

Mr. Speaker: Each case will be judged on its own merit.

Hon. Mr. Welch: Mr. Speaker, with consent, I would like to revert to motions.

Mr. Speaker: Do we have the consent of the House?

Agreed.

Hon. Mr. Welch moved that when the House adjourns on Thursday, May 13, it stands adjourned until Monday, May 17.

An hon. member: You didn't do that for us. Motion agreed to.

Hon. Mr. Welch: Mr. Speaker, with your permission may we also revert to reports?

Mr. Speaker: Permission granted.

Hon. Mr. Bernier presented the 1975 fiscal review of the Ministry of Natural Resources and the annual report of the minister for 1975.

Mr. Speaker: Orders of the day.

Clerk of the House: The third order, committee of the whole House.

CITY OF THUNDER BAY AMENDMENT ACT

House in committee on Bill 78, an Act to amend the City of Thunder Bay Act.

Mr. Chairman: Are there any comments on any section of this bill? The hon. member for Port Arthur.

Mr. Foulds: I have three questions of the parliamentary assistant on the bill, all on clause 1. I talked with him over the ensuing 24 hours since second reading.

[3:15]

Mr. Chairman: What section are you dealing with?

Mr. Foulds: Section 1, Mr. Chairman. Could the parliamentary assistant explain for the record why the ministry decided to proceed with an addition, i.e., with adding subsection 5(c) to the City of Thunder Bay Act, instead of the wording that was in one of the ministry's previous drafts which would have substituted a new subsection for subsection 5(a), presently in the bill? As I understand it the ministry had been previously thinking about wording to the effect that subsection 5(a) of section 3 of the City of Thunder Bay Act, 1968-1969, would be repealed and the following substituted therefor:

Notwithstanding subsection 5 of the Municipal Elections Act, 1972, the minister may by order provide for all such acts and things as may be necessary for the election of persons to the council of the city in the year 1976.

Perhaps I can just pause there, because that's one matter the parliamentary assistant can respond to. Why did the ministry shift to the wording that we presently see in the bill from the wording that was in one of the draft copies of the bill?

Mr. Norton: I'd be pleased to respond to that. At the time of writing of the original draft, to which the hon. member refers, it was contemplated that this particular piece of legislation would include the additional section to which he referred yesterday, relating to other matters involving the city of Thunder Bay.

At the time that was drafted, if I recall correctly, the Ontario Municipal Board had convened their hearing, but it had not yet

terminated. We were not in a position to know what the outcome of that hearing would be. We had been advised by the assessment commissioner that should the decision be one providing for a 12-ward system, as opposed to the seven-ward system, he might well be faced with difficulty in preparing the necessary electoral information for this year because of the much greater number of changes that would be required in electoral boundaries. Fearing at the worst, if it were a 12-ward system, that it might not be possible for him to meet the deadline this year in order to be prepared for a December election on the basis of a 12-ward system, and that it might be necessary for that reason to prolong the present system for one further election, the original draft included a greater flexibility to allow the minister to respond to whatever the situation was in Thunder Bay at that time in order to make it possible for them to have a valid municipal election in 1976.

Waiting, as we did, in the hope that the legislation could be more inclusive and include a resolution of the dispute between the Hydro commission and the city, meant that by the time we got around to presenting it to the House, the OMB had rendered their decision and the appeal period had expired. Therefore, it allowed us to be more specific and to simply extend the time for the commissioner to comply with the provisions of the Municipal Elections Act. That's why it is in a more specific form now than it was earlier; the possibilities were much narrowed by the finality of the decision.

Mr. Foulds: That's all I have to say on that question, because I think the explanation is an adequate one, unless any of the other members have anything to say on that question.

My second question—and once again I have given the parliamentary assistant notice of this—concerns the phrase in the second line of the subsection, 5(c), which we are adding: “for the purposes of the municipal elections to be held in 1976.” Does that mean we revert to the normal procedure under section 17 of the Municipal Elections Act for future elections? Or does it mean that this procedure is implemented only for 1976 and we revert to the procedures outlined in the City of Thunder Bay Act? I want that clarified for the record.

Mr. Norton: Yes, I think that clearly the intent of the legislation—I think it's clear on the face of it—is that it would apply only for the year 1976. It states, as you have pointed out, that it is for the purposes of

the municipal elections to be held in 1976. Further, the fourth line from the end of that section states that the information shall be presented not later than May 15, 1976.

I don't see how that could be interpreted to apply to subsequent elections, for example, in 1978 or 1980. Clearly it's not the intent. I have sought the opinion of our legal staff and they concur with my opinion that it is not open to that alternative interpretation. It is clearly for one year only that this exception is being made.

Mr. Foulds: If I could pursue that for a moment, Mr. Chairman. That is the exception as it applies strictly to the extension of the deadline. That's the understanding, is it?

All right; one final technical question and it's just a matter of my own curiosity: In dealing with legislation of this kind, when you make reference to the Municipal Elections Act, 1972, why is there not a reference to that as amended by chapter 32 of the Municipal Elections Act, 1974, when you make those references about amendments to the City of Thunder Bay Act, for example? Could you explain that?

Mr. Norton: I am not an expert in drafting legislation but it's my understanding that with any piece of legislation amending a particular bill, when you are making reference to the bill which is the subject of the amendment, it is proper drafting practice to make reference to that bill as amended. If you are making a cross-reference to another piece of legislation altogether, the designation of that legislation does not require the terminology “as amended.” It is assumed that it is the most up-to-date version of the other piece of legislation which exists which would include any amendments.

Mr. Foulds: The assumption is that the cross-reference, in this case to the Municipal Elections Act, refers to that Act as it exists at the time of the passage of this particular amendment. Is that correct?

Mr. Norton: Yes, that's correct.

Mr. Foulds: Fine. Thank you very much.

Mr. Angus: Just a short point, Mr. Chairman. My concern is it's May 11 now and the date established by this amendment is May 15. I assume there is no real problem anticipated in ensuring that everything is before the proper authorities—

Mr. Good: If you guys stop talking, we will get it through.

Mr. Angus: That's fine. We will give you an opportunity on your bills.

Mr. Shore: If you talk until the 16th, there will be a little difficulty.

Mr. Angus: Okay. I assume, as I was saying before I was rudely interrupted, that we will have this thing through in time for the 15th and that everything will go on as planned?

Mr. Norton: Yes, I am assured that is possible. I was a little concerned, I must say, yesterday afternoon when we reached the end of the afternoon session and didn't get back on. It was for that reason that we were given priority to finish it this afternoon. I expect, if it is passed this afternoon through third reading, it would receive royal assent perhaps on Thursday.

Mr. Angus: You anticipate third reading today on the bill?

Mr. Norton: Yes, I would anticipate third reading. I don't know of any reason not to.

Mr. Angus: One last point—I would like to compliment my colleague, the member for Port Arthur, for his presentation yesterday. I think it's appropriate, at the time we are finishing this discussion in committee of the whole, that a number of students from Thunder Bay who have actually studied the whole ward system—the students from St. Elizabeth's School—are here to watch the proceedings. I know they will report back to their parents and friends about how our parliamentary procedures work.

Mr. Chairman: Shall the bill be reported? Bill 78 reported.

Hon. Mr. Welch moved that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill without amendment and asks for leave to sit again.

Report agreed to.

THIRD READINGS

The following bills were given third reading upon motion:

Bill 78, An Act to amend the City of Thunder Bay Act, 1968-69.

Bill 45, An Act to amend the Corporation Tax Act, 1972.

Clerk of the House: The third order, House in committee of the whole.

ONTARIO GUARANTEED ANNUAL INCOME AMENDMENT ACT (concluded)

House in committee on Bill 47, An Act to amend the Ontario Guaranteed Annual Income Act, 1974.

On section 3:

Mr. Chairman: I believe the hon. minister had an amendment to section 3, and I believe we have completed any discussion of the bill up to that point.

Hon. Mr. Meen moves that subsection 1 of section 4 of the Act, as re-enacted by section 3 of the bill, be amended by inserting at the commencement thereof, "subject to section 2 and." And that section 3 of the bill be further amended by deleting therefrom the proposed re-enactment of subsection 2 of section 4 of the Act.

Any comments? The hon. member for Perth.

Mr. Edighoffer: Mr. Chairman, it sounds like a very simple amendment. I just wonder if the minister could really explain what it means.

Hon. Mr. Meen: I would be pleased to, Mr. Chairman. I guess it's fair to say that right at the end of the debate yesterday, before the vote was taken, the hon. member for Durham East (Mr. Moffatt) asked whether the proposed section 3 would cut off applicants who, on April 6, 1976, qualified as to age and as to residency, but did not qualify because their income happened to exceed the present guaranteed annual income level of \$269.30.

My answer to that was, yes, it did. But, to tell you the truth, I was not happy with that provision, because I don't believe that it should. I believe that it should not cut off those who have failed to apply within the year following April 6, 1976, if on that date they were qualified. If the GAINS level should rise, or if their income should drop, I don't think that they should be cut off three or four years down the road.

In the intervening period last evening, and particularly this morning, I've had a chance to review this with the staff, and what I'm doing is to remove the requirement. What

this amendment does, in effect, is remove the requirement that there be an application filed with the ministry within the year following April 6, 1976.

So, should it happen that two or three years further down the road some gentleman then 68 or so, who had never applied—and he hadn't applied because his income at this time exceeded the guaranteed level of \$269.30—but he was at this time, on April 6, 65 years of age or over, and he had met the residency requirement of five years or more, but hadn't met the 10, of course, he would then be entitled to file his application. He will only be paid for a maximum of a year retroactively. It would go back to the date when he did qualify as to income or it would go back to one year, whichever was the shorter period. That is the limitation built into section 2 of the bill and of the Act. [3:30]

So far as the qualification goes, with this amendment those people would not be cut off. They would be entitled to make their application at any time during the five-year period that will have begun on April 7.

Motion agreed to.

Mr. Edighoffer: I just wonder why the minister wanted to add the section 5—that's the regulation section—allowing him to reduce or eliminate any period of residence therein specified.

Hon. Mr. Meen: This section was built into the amending bill at a time when we didn't know what the position of the federal government was going to be with respect to OAS-GIS. As I indicated yesterday, Hon. March Lalonde has now indicated that the federal position will stay at a qualification period of 10 years. This section would allow the minister by regulation to reduce the qualification period under this Act in step with qualification period reductions under OAS-GIS, should that ever come about; in other words, to keep them in step.

We would not want our period under the GAINS legislation to be longer than the OAS-GIS period. Since we spell it out as 10 years and they spell theirs out as 10 years, if they should reduce theirs we would want to be able to move swiftly to keep ours in step with theirs. That is the reason for the provision here that gives the minister the power to prescribe a shorter period, any period of residence therein specified, altering the provisions by reducing or eliminating any period of residence.

Mr. Chairman: Any comment on any other section of the bill?

Bill 47, as amended, reported.

NIAGARA ESCARPMENT PLANNING AND DEVELOPMENT AMENDMENT ACT

House in committee on Bill 9, an Act to amend the Niagara Escarpment Planning and Development Act, 1973.

Mr. Chairman: The parliamentary assistant has an amendment to section 2. Any comment on section 1 of the bill? If not, the hon. member for Kingston and the Islands has an amendment.

Mr. Norton moves that section 2 of the bill be amended by adding thereto the following subsection:

(1) Subsection 5 of section 5 of the said Act is amended by adding at the end thereof, "and may designate the chairman as an employee and the commission as an employer for the purposes of the Ontario Municipal Employees Retirement System Act,"

And that the present section 2 of the bill be renumbered as subsection 2 of section 2. Any comments? The hon. member for Waterloo North.

On section 2:

Mr. Good: This amendment causes me some concern. I will tell you why, Mr. Chairman, and maybe we can discuss it further after the parliamentary assistant has given an explanation.

What this bill is asking is that the chairman of the Niagara Escarpment Commission be eligible to participate in OMERS. We must recognize that the chairman of the Niagara Escarpment Commission is an appointee of the government to the commission; he is neither an elected official nor an administrator hired by the Niagara Escarpment Commission. He is an appointed person; appointed by order in council to serve as chairman of the commission. As nearly as I can ascertain, there is no other circumstance in which an appointed official on a board or commission participates in OMERS.

If we look at the regional chairmen of the regional governments, they do not participate in OMERS, as I understand it, until such time as their appointed term of office expires and they are reappointed, if such be the case, by the regional council. In other words, when they enjoy appointed status from the government, they are not considered to be

eligible for OMERS as are elected officials or hired administrative staff. I have great reservations on whether we should be including former appointed members of the commission. This gentleman happened to be a former reeve of one of the townships. This has nothing personal to do with Mr. McMullin; it is just the principle involved that I would question.

We have increased the eligibility of persons under OMERS to include elected officials in the municipalities. We have recently included under OMERS persons who work for boards and commissions, such as the secretaries of the Firefighters' Association and things like that, but in no case have we broadened this to allow in appointed people filling positions. We know what the general pattern of events is when people are appointed by cabinet to serve on these various boards and commissions.

Furthermore, it is somewhat hard for me to understand why they would want to have the chairman of the Niagara Escarpment Commission participate in OMERS when theoretically the work of the commission should be completed in three years. Then the whole carrying on of the Niagara Escarpment plan developed by the commission will be turned back to the municipalities and administered by the municipalities.

I don't know—maybe the commission will be an ongoing thing. If it is, I would like to know what purpose it will serve. I certainly think, before we can support this amendment, we should have an explanation of why there is this departure from former principles. We haven't allowed regional chairmen to participate in OMERS and I don't think they should when they are appointed as the Queen's Park delegate to the region. In this case, we have the Queen's Park appointee as chairman of the Niagara Escarpment Commission and I think we should have an explanation before we proceed with this particular amendment.

Mr. Norton: I appreciate the concern raised by the hon. member but I would point out it is my understanding of this particular amendment that it is an attempt to respond to a situation in which a person has been appointed to a position serving the province and the community on a full-time basis. It's an appointment that would cause him to relinquish other employment, which is quite different from the other members, for example, of the commission who are appointed on a basis whereby, as I understand it, they are paid a per diem rate for serving approximately one day per week.

To appoint someone to such a position in which they become a full-time employee without benefit of the opportunity to participate in any retirement programme would, it seems to me, be asking a great deal. In the present situation, it is also my understanding that the particular gentleman who now is in that position has been a participant in OMERS and in fact has made contributions to that scheme in the past.

I would also point out that the members of the commission, whether they are part-time or full-time, are not governed by the Public Service Act; therefore, the alternatives were limited. I believe that what the hon. member has pointed out with respect to regional chairmen is correct, but again I would point out that although they do have appointed positions subsequently—and they are not appointed by the province but by their regional governments—

Mr. Good: They're elected by the regional councils.

Mr. Norton: —they are then eligible for participation in OMERS.

However the hon. member wishes to construe it, I think that what we have here is a genuine effort to respond to a situation where someone is being asked to serve the community on a full-time basis. The intent of this is to make provision for the fact that they may be permitted—and it is not mandatory; it is permissive—to participate in a retirement programme so that those years of public service do not result in their being unable to continue to provide for their retirement years.

Mr. Good: I think the member perhaps has missed the point. My point is simply that a person who has earned the right by being elected, or who has sought a job and got it, deserves the right to participate in the pension plan; but should every political appointment by the cabinet have a pension plan with it once these people get on to boards and commissions? Up to now, they haven't. As far as I could find out—I could be wrong—this is the first case where a person appointed by the government to a commission is also guaranteed a pension plan when he gets on there. My gosh, you'll never get all these Tories off these boards and commissions if you invest them with a pension plan.

Hon. Mr. Welch: Not a bad result, though.

Mr. Good: I don't know; maybe not.

I can understand the dilemma of the person, who I think was previously a councillor and who could have enjoyed the benefits of OMERS had he so chosen, suddenly being

approached by the cabinet and asked: "How would you like to be chairman of the Niagara Escarpment Commission?"

"Oh, well, what's the pay? That's great. Okay, I'll take the job."

But he didn't know he was not eligible to be covered by OMERS. Now we're asked to pass an amendment that is establishing a precedent that I'm not quite sure we should support.

Mr. Swart: I hadn't intended to speak on this, because I didn't think it was really a matter of great consequence; and although the member for Waterloo North makes a good point, in this particular instance I think we will support the amendment to this bill.

I would point out that it's a case of the chairman having a full-time appointment. It's apparently a full-time job for an indeterminate period of time. Most chairmen of boards and commissions appointed by the government, or by this House, have a much more limited period of time. I have some real concern that this appointment may continue for a far longer period of time than has been intimated originally in the Act.

But regardless of that situation, since it involves a substantial number of years during the earning period of a person's life, and even though there may be some danger of setting a precedent, I think we should not deprive this person of the right to pension contributions and to a pension for that period of time when he is serving as the chairman. Therefore, I would recommend that we support this amendment.

[3:45]

Mr. Shore: It is unfortunate when we are debating this concept and this principle and this issue that we place in its way the fact that we happen to know there is a personality specifically designed and assigned to this task, because I think it inhibits the proper assessment of the issue and the proper discussion of the area concerned. Therefore, it becomes partially an emotional issue or, as the hon. member for Kingston and the Islands specifies, one that this particular person has served the community and has participated in an essential programme.

To me, the important issue here is truly, what are we getting into, and the setting of a precedent. I have seen too many instances where the areas of concern and the issues have been debated on the personality aspect and not on the issue. I must tell the House that it is my opinion there are plenty of people who would be prepared to serve from the community on any boards and commissions available without necessarily having

OMERS available to them. I am sure within the Province of Ontario there are people prepared to serve the community on any board or commission.

I therefore suggest strongly that although you have a personality situation, a specific and unique situation here, it is too bad that factor wasn't considered. In my opinion, that is the mistake in the situation. If the member, whoever is appointed, can't serve under the conditions and terms upon which he was retained, so be it. But I am satisfied that the issue should be: "Do you believe these people should be eligible for the pension programme?"

I submit it is not essential and I submit further that there are capable people available without having this type of situation. Therefore, the precedent becomes all-important and I suggest and urge strongly that we consider that point.

Mr. Norton: Mr. Chairman, it seems to me—and I first perhaps ought to say—that by making a specific reference to the circumstances of an individual who holds that position at the present time, I did not wish nor intend to introduce personalities, but rather use that to point out perhaps why OMERS in particular was under consideration at this particular time.

I can assure you that I personally don't know, and I don't know that I have ever met, the individual who is involved but I think that if you look at the matter in principle it becomes even perhaps more meaningful or more imperative than if you try to look at it in the specifics.

As has been pointed out by the hon. member for Welland-Thorold, what we do have here is a situation where an individual in the community has been asked, by whatever means, to serve the community on a full-time basis for a period of time; something which—regardless of the specific circumstances of the individual holding that position now—would inevitably require that person to forgo other employment during that period of time and perhaps forgo the opportunity to participate in a retirement programme during that time, or interrupt an existing retirement programme.

The matter becomes more imperative if you can imagine there are many individuals in the community who might very well be prepared to serve on such a commission, but I don't know how many individuals of limited means would be able to serve on a full-time basis, giving up what one is asked to give up in a situation like this, if there is no

provision for continuing to provide for one's retirement.

Whether it is for a period of one year or three years or five years or whatever it is, I don't think there are many people—if they are employed by others as opposed to being self-employed, or if their resources are limited as opposed to being, perhaps, better off economically—who would not be very hard-pressed to offer themselves in any kind of public service where there was no such provision for them or no opportunity for them to continue to participate in some such plan.

I realize this is a situation different from the example I am about to use, but it was my understanding from the comments of the hon. member for Waterloo North that he could not think of a situation where people might be appointed to an office and have the benefit of the retirement programme.

I would point out that it seems to me there are probably innumerable such situations in our society. One that comes to mind immediately—and, as I say, it is a different situation, but nevertheless—for example, the judiciary in our society hold appointed positions for which, as I understand it, there are quite generous retirement programmes. So this is not, in that sense, a precedent. Perhaps it is in the sense that it is a more limited term of office than is true of the judiciary, but the principle of an appointed position carrying with it the opportunity to provide for one's retirement years is not in itself a precedent.

Mr. Chairman: The hon. member for Waterloo North.

Mr. Good: I have nothing against Mr. McMullin in getting a retirement benefit, but I have against the principle of government political appointees having retirement benefits under OMERS. That's a new concept and don't bring that into this House again and expect us not to raise more fuss than we are raising about this.

Mr. Chairman: The hon. member for Sudbury.

Mr. Germa: Mr. Chairman, it is inconceivable to expect that a person gives up certain security in a job to take on a temporary position and jeopardizes his security in his contribution to his future in the form of a pension plan.

To some degree I support the position of the member for Welland-Thorold (Mr. Swart). What I am disturbed about is that this is a piece of legislation aimed at one specific individual in the whole Province of

Ontario. We do know there are better than 300 boards and commissions in the Province of Ontario and each and every board and commission does have a chairman. While I am not aware of how many of those board and commission chairmen are full-time, I know that some of them are.

I make specific reference to the 32 chairmen who are on the Conservation Authorities. These particular people, as far as I know—in fact, in my area they are full-time—draw a full-time salary and work at this job on a full-time basis. Some of them are there for extended periods of time. I know one particular person who has been on the job for probably 10 or 15 years, and while I have no sympathy for the patronage system as enunciated by this government, knowing full well who all these people are, who all these chairmen are, that they form part of the patronage system, I think that if the government is going to be consistent, you should not bring in legislation relieving the problem as it relates to one specific person.

If it is a good principle that a person serving the community should not suffer a loss of security, if it is a good principle for this particular person, then it is a good principle right across the board. I think that is specifically what the members of the third party are addressing themselves to. This has a much wider scope than this particular person, who is chairman of the Niagara Escarpment Commission. I would ask the parliamentary assistant if this has been taken into consideration; and is this going to be a continuing process, that each chairman who is appointed, providing he has certain influence with the government, his problem will be relieved, whereas someone else who doesn't have the sympathy of the government is just left out in the cold?

Mr. Shore: I don't want to prolong the debate on this issue, but I think I must make two points clear. Unfortunately, in debating an issue where you feel strongly on a specific situation, you sometimes miss the point—which this honourable gentleman brought up again and which we have brought up—that you have to take it in total perspective. I am convinced that the two areas that we have not addressed ourselves to totally and properly are the concept of political appointments and the concept of the overall vast number of boards and commissions that you haven't even thought of here; and if you believe in the principle of this thing you should. What I am worried about is that one little precedent is going to open up a whole issue and it may have a very serious bearing on an objective

look at the issue. I really want to leave that on the record. That is what I want to do, because I have been through too many of these instances where we vote on one little issue and then all of a sudden it comes back and we suddenly decide to face up to the total perspective of the situation.

Mr. Chairman: Does anybody else wish to speak to this amendment? If not, the member for Kingston and the Islands.

Mr. Renwick: Let's stack it.

Mr. Norton: Thank you, Mr. Chairman, I'll be very brief in my response. To my knowledge it is not the case at all that chairmen of conservation authorities are full-time. Any within my experience are not but there might well be exceptions to that. I will confess I don't know how many full-time chairmen of commissions there are in the province. I don't know individually what arrangements, if any, exist for them to participate in a retirement programme.

Mr. Shore: You should know it before we vote.

Mr. Norton: Yes, I probably should. I would point out that perhaps all good things start at some point.

Mr. Shore: And some of the bad ones too.

Mr. Norton: If, in principle, as has been suggested, we are going to look at those people who have given up a period of years from other employment in order to serve the community, I think it might well be something that ought to be examined as to what provision is made for them. This is not a statement of government policy which I am making but I will say that I will undertake to check into the circumstances with respect to other commissioners in such situations and see what type of provisions have been made for them.

Mr. Chairman: Shall the amendment carry?

Mr. Renwick: No.

Mr. Chairman: All those in favour of Mr. Norton's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it.

Mr. Renwick: Shall we stack this?

Mr. Chairman: Do you wish to stack it? It is agreed then that it will be stacked.

Mr. Norton moves that clause (a) of subsection 2 of section 22 of the Act as set out

in section 3 of the bill be struck out and the following inserted in lieu thereof:

(a) providing that where an area of development control is designated, such zoning bylaws and orders of the minister made under section 32 of the Planning Act, or any part thereof, as are designated in the regulation, cease to have effect in the area or in any defined part thereof, provided that where land is removed from an area of development control such land is thereupon subject again to the aforementioned bylaws or orders or parts thereof as the case may be unless, in the meantime, such bylaws or orders or parts thereof have been repealed or revoked.

Mr. Good: I have one question. Would this mean that, if there is a change in the boundaries of the Niagara Escarpment area of development control, that would be the instance when this would come into play where the area is taken out of the Niagara development control area, and that it would then be subject to bylaws which had previously been revoked when they went in? Is that basically what it's about?

Mr. Norton: I think I heard the whole of what you said and I will attempt to comment. If I didn't, please correct me.

[4:00]

As I understand it, the situation is that where an area has been subject to development control under the present legislation there is uncertainty—lack of clarity perhaps is a better term—as to what happens if the control is removed. There has been some concern expressed by some people that if it is taken out from under development control there may be no land-use control governing it whatsoever. This would merely provide that if it is removed from development control, in the absence of anything else the prior existing zoning bylaws or orders would come back into effect. It would be constantly under some form of land-use control.

Mr. Chairman: Is there further comment on Mr. Norton's amendment?

All those in favour of Mr. Norton's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the "ayes" have it.

Motion agreed to.

Mr. Chairman: Is there any further discussion on any other section of the bill?

On section 4:

Mr. Renwick: We spoke about this during the course of the debate on second reading and on balance we adhere to the view that the permit for development should run with both the land and the person to whom it is issued. Perhaps the parliamentary assistant will recall the somewhat extreme ideological argument he made at the time that it was somehow or other a selection between persons whereas land is totally neutral and doesn't have any political bias.

It still seems to us that what we are really talking about is development permits which are issued to corporate bodies. We're not making invidious distinctions between citizens of the province. What we are saying is that a particular corporate body which may have obtained a development permit may have entirely different characteristics with respect to its financial stability, its technical knowhow and skills in order to carry out the development for which the development permit was issued than the body to which it may be transferred.

What this amendment does is simply say it doesn't matter; once the permit is issued the person may transfer the land, subject to that development permit, to another body corporate, which is what it would be. The resources, the skills and the capacity of that transferee body may not be consistent with the kind or quality of the development for which the development permit was issued. Because of those comments we have discussed the matter again and we feel it would be wise for us to vote against section 4 of this bill when it is called.

I don't think my remarks need further elaboration by me.

Mr. Norton: I must state that I still fail to understand the thrust of the argument of the hon. member for Riverdale. I think that what is being proposed here—and I'm sure it's not necessary for me to reiterate it—is that when a development permit has been issued for a specific development—it is my understanding, first of all, the proposal must be set out in detail before the permit is issued and the permit is issued for that specific proposal—that would be something which runs with the land as opposed to a specific individual, corporate or otherwise.

The other thing that perhaps is not being borne in mind is, it is my understanding also, that these permits have a very short life, something, I believe, in the nature of one year.

So there are two controls over this that would still exist and I would hope that to

some extent they might alleviate the concerns of the hon. member for Riverdale. They are not something that would run with the land in perpetuity to allow for long-term delays and changes in ownership of the land a number of times, and also the specifics of the proposed development for which it was issued would be part of the permit itself.

Thus the opportunity would not be there for the issuance of a general permit to allow development without specification to a very responsible corporate body—then have that land change hands and go to what I believe in the hon. member's mind would be a somewhat less desirable owner who could then go ahead with development of a very different nature.

I think that the permit itself would tie down not only the present owner but any subsequent owner to the specific conditions and requirements of the permit. It's not a wide-open situation as I think he might be contemplating. I don't know how it can go both with the individual and the land.

If the land, for example, were to change hands out of necessity, it may not be a situation where the owner is a corporate entity. If it were an individual and financial circumstances, for example, or health or a matter of life and death in the family might cause the decision to be made to transfer that land to someone else. If the work and effort has gone into a specific proposal for which a permit has been issued, and the land is to be sold to someone else under circumstances of necessity, then to say it would be necessary for the new owner to start back at square one and to make an entirely new application would seem to me to create a very difficult situation and perhaps one of undue hardship.

But I don't understand at this point how it can both run with the individual and the land. It seems to me that it would have to be one or the other. What we have opted for in this particular proposal is more equitable, more reasonable, given the controls that are attendant upon part of that permit—that it run with the land for the period of the life of the permit, which I believe is one year.

Mr. Swart: Mr. Chairman, I don't think all the eventualities have been covered and I do want to make some comments on this issue. I'm in opposition to clause 4, because to some extent—perhaps not too great an extent—it will permit trafficking in permits. To that extent at least it will provide for some greater degree of development on the Escarpment than if the permits are tied to the owner rather than to the land. I think the purpose of the Niagara Escarpment Act should be to preserve the

Escarpment, and I'm against the clause for that reason.

However, those of us who are familiar with the granting of permits, or for that matter the granting of land division, know that one of the major considerations of the land division committee or of the Escarpment Commission is the situation of the person who applies for that permit. Very frequently in the Escarpment Commission it may be the case of a son or a daughter of the owner of the property who applies for the permit. The permit is granted simply because of this relationship. Then, if you have it going with the land rather than with the individual a year or so after—perhaps there is no intent in the first place, really, of the son or daughter using it—it can be put up for sale.

With the restrictions that should be on the Escarpment land, this could make any development permit very valuable. It would encourage this sort of—I guess I can use the word—dishonesty in applying for a development permit. If it is tied to the individual, then it will be reconsidered. If it is tied to the owner, it can be reconsidered, it can be given again. But at least it has to go through the whole process once again, including the relationship of that individual to the owner—all the factors can be taken into consideration. The simple facts are that if it is tied to the land, the end owner who gets it may not ever have been granted the permit if his situation had been the one that had been determining the granting of the permit.

Therefore, I think there is merit in leaving it with the individual with the option to have it reconsidered if the ownership changes, rather than making it automatic; then the considerations which granted it in the first place may have changed, but the permit can still be used.

Mr. Renwick: Mr. Chairman, I would like to just comment again about it, because I get the sensation that perhaps the parliamentary system is receptive to the suggestion to a degree. It may well be that because of this problem and the problem which occurred on the preceding section with respect to section 2, it may be wise to stand the bill down until we get sorted out on both of them.

The point I would like the parliamentary assistant to consider, at the time when it is appropriate, is when the proposal is made for the development upon the basis of which the permit is issued. It is not just a proposal as such. It is that the persons who make the proposal have the capacity to perform financially, and in all other respects, to carry out the proposal. Because when that permit is

issued, they have in front of them the proposal of a particular person, be it an individual or a body corporate, and when that is being considered that affects the decision as to whether the permit would be issued.

I am not suggesting, and I don't think my colleague is suggesting, that if the land should change hands the proposal disappear. But if the development permit is to carry on, the persons who issue the permit should be satisfied that, within broad limits, the transferee of the land has the same capacity and commitment to carry out the development as the person to whom the permit was originally granted. That is all we are saying. I don't think we are saying anything else.

We just want to make sure that they are not either trafficked in and find their way into the hands of persons who don't have the skills and capacity and the commitment to carry them out as was originally intended when the permit was first granted.

It seems to me that there are two aspects of it, and it is not necessary to go back to square one. It is simply a question of deciding that the transferee is a person who is capable of doing the job which was originally applied for when the permit was originally granted.

It seems to me that it should be possible devise language which is not going to hamstring the question, but at the same time in some way is going to be a damper upon anybody who might want to traffic in them. It would also be a protection both to the commission or to the particular municipality which may be interested in the development—some protection that, yes, the transferee is going to be a person who can carry this project out the way it was first envisaged.

[4:15]

If that is acceptable—and I understand it may well be that the committee will rise and report before this bill is reported, because of the problem with section 2 and this section—it may be possible to amend section 4 to take into account the arguments which we have addressed to the parliamentary assistant. In any event, I would suggest to him that perhaps the words “in respect to the development” should be added at the very end of the clause as a matter of draftsmanship. It appears in the one place, and it appears to me that it should also qualify the second part of the issuing part of the paragraph.

Hon. Mr. Welch moved that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill with one amendment and asks for leave to sit again.

Motion agreed to.

Clerk of the House: The second order, resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

BUDGET DEBATE

(continued)

Mr. McEwen: Mr. Speaker, my colleagues said they didn't think I'd ever get on again, and I was beginning to agree with them; but thank you very much for the opportunity to be here once again to finish the few words that I have to say.

I was commenting in summary, on the Ministry of Health when we adjourned last Tuesday. There's very little left to say about the ministry, except to comment that the bureaucracy of the Ministry of Health is not only strangling health care, but the decision-making process in this field is costing too much. This use of the health care dollar must be stopped before the bureaucrats outnumber the patients. Thus, by developing a regional plan of health care, with responsibility for health care delegated to professionals, and thereby reducing the desk jobs in the system, a 30 per cent to 40 per cent saving possibly could be effected—and we wouldn't have a reduction in beds, such as has happened in Perth and Napanee and in other areas of hospital operation.

In the same ministry, a good many of the employees have been discharged from their positions with just a brief form letter that usually ends like this: "I regret that your release has become necessary and trust that you will soon be able to find other suitable employment." It is really a hardship for an employee to find such a letter in his mailbox. In questioning the Ministry of Health about this, the reply I received was something along this line: "Following layoff, all employees will be notified of vacancies in the Ministry of Health for a period of one year."

I just want to point out to the acting Minister of Health (B. Stephenson) that this doesn't happen in some instances. I have information on a good many instances where

this didn't happen; their services were just dispensed with.

When we're speaking about restraints in this health operation, I question why we would proceed in the health unit system with new programmes that are paid for 100 per cent by the province. I am speaking about one such venture in the Kingston area in the health unit where family planning counselling has been brought into being. It is illustrated in numerous letters that it is free, that it has a full-time position for a public health nurse and that it goes on from 8:30 a.m. to 4:30 p.m. each day for six days. Birth control pills are supplied and other facilities that are supplied are paid for 100 per cent by the province.

I'm really not questioning the programme, I'm questioning the programme at this time and the expenditure in this area which may amount to considerable funds being considered when we're looking at cutbacks in hospital beds and hospital care. I believe that what I said previously is a fact and is true, that organizational committees should have been set up to discuss and to bring in a report on how we could save considerable funds in the operation of our health system. It doesn't appear that this was done.

I just want to dwell briefly on the Industry and Tourism area. I see that the minister is not here but I don't intend to dwell a great deal of time on this ministry. I see the minister is very pleased he is the Minister of Industry and Tourism and doesn't have irate ratepayers picketing his office against expressways or landlords and tenants or hospital administrators trying to sue him. He feels that in his ministry he has been able to operate smoothly.

I noted that the Minister of Industry and Tourism was very pleased that the Minister of Labour had agreed not to increase the minimum wage to \$2.65 an hour for those serving alcoholic beverages. I have made some notes here that I would like to read directly re the minister's statements.

He has stated he believes that people should be very pleased they are contributing to this worthwhile way of spending one's time. What this really means is serving alcoholic beverages at a rate much less than the minimum wage.

I question why one group is considered for a minimum wage of \$2.65 and why a minister of this government would work very hard, as he has indicated he has for some time, to have the minimum wage for those serving alcoholic beverages at a lesser rate than others. I believe that it is our way of

life that a good many people are compensated in tips for the courtesy and for the service they render to anyone making a purchase. I believe it's the purchasers' right whether they tip those who are serving or not.

I believe that the Minister of Labour should take a serious look at applying the minimum wage to all of our people and that all of our people should be treated equally. I personally take exception to this matter and I bring it to your attention, Mr. Speaker.

In the area of tourism, a few years ago we had approximately 32 tourist associations. This was reduced to about 11 or 12 and great large areas—regions, I suppose you could call them, Mr. Speaker—were created. What happened in one area and was brought to my attention was that in the north, Frontenac-Hastings, part of Hastings, and Addington, the Land-o'-Lakes Tourist Association members found it was too far to travel to meetings. They weren't able to attend and the executive of these associations became so large that those who really wanted to could out-vote a smaller former regional operation.

The Land-o'-Lakes proceeded to spend money on behalf of the tourist industry of the Province of Ontario in 1975 and its share from the province would have been, I believe, \$2,591. Due to the change in the ministry's policy and legislation for tourist areas and the government's contributions to these tourist areas, Land-o'-Lakes was deprived of this contribution of \$2,591.

I attended several meetings along with the member for Prince Edward-Lennox (Mr. Taylor) to discuss this problem. The moneys had been spent by the Land-o'-Lakes Tourist Association, in good faith and a good job was done with the advertising purchased. It was done in the belief that the moneys would be forthcoming from the province but within the ministry they were sidetracked and deprived of these rightful funds.

There was an amount of \$1,400 or so in addition to that owing to them, and through the meetings I attended along with the member for Prince Edward-Lennox, the \$1,400 and some was paid over to the Land-o'-Lakes Tourist Association.

We are looking at tourist operations and at ways to assist in attracting tourist business to the Province of Ontario and to Canada. I believe we read some time ago that the Minister of Industry and Tourism (Mr. Bennett) had stated it was more reasonable to travel to the United States than to tour in Canada. Possibly this is one of the reasons it's becoming a very costly operation in the

regional system. Those in the immediate area who feel the effect of the tourist business in the north of our ridings are feeling the pinch very seriously and they're deprived of the assistance they have had in the past.

Reluctantly, today I want to speak on a subject which is possibly very controversial. It is a little bit personal and it also affects one of the other members on the opposite side of the House to some extent. That is the conflict of interest legislation. I have prepared my notes here and although I see in Hansard that I was criticized for reading some of my speech, I believe in this instance in particular it is necessary to have prepared what I want to say. I want to be quite definite about it.

Today, I would like to touch briefly on conflict of interest and especially conflict of interest charges being made in the House. A few weeks ago one of my colleagues, the member for Renfrew North (Mr. Conway), asked if there was a possible conflict of interest re the member for Lanark (Mr. Wiseman) because he and his wife jointly owned a 17-bed private hospital for clinic care in health in Perth. This brought to my mind immediate concern regarding myself, as soon as that comment was made, for the reason I have had considerable experience of having people decide to reduce my public standing in the community, interfering with my political position as reeve of the township of Kingston and attempting to interfere with my living in general.

I speak about this today especially with the thought in mind of eliminating the frustration of those who are named in what possibly could be considered at some time as a conspiracy by those making the statements.

[4:30]

In the beginning, I would like to make it absolutely clear that at no time have I ever bought or sold subdivision lots in a municipality that I represented, and this is what I was partly charged with. My wife and family and myself have worked many years in our own private business and I have always considered that to be my main source of income. However, in particular, four people in the township of Kingston, headed by a Prof. Bennett, a brother of the member for Ottawa South, and two other university associates of the professor, appeared to continually harass my personal way of life. When it was impossible to accomplish what they set out to do, they and their friends drew up a petition and had 61 people sign their names asking for an investigation of my association with the municipality, and of the municipal operation.

The 61 names included two or three members of some families, so it really only added

up to about 20 or 30 families involved. However, this was submitted to the cabinet and those who were in official positions here at that time—including the present opposition leader, and I believe a Mr. Shulman was also involved—started a witch hunt and went on to discuss it on the floor of the House. It was also picked up by the Liberal leader at that time.

The petition I wish to draw to your attention, Mr. Speaker, was stamped with the signature of W. J. Nuttall and submitted by him. He was the sitting member for Frontenac-Addington at that time. The former Treasurer, without discussion with our municipality or myself in any way, announced he would appoint a justice to have an inquiry. Just prior to that, I heard the rumour of what might take place and I called the Premier (Mr. Davis) with the thought in mind of asking for permission to discuss my side of the issue. A Mr. Macaulay, who wasn't an elected member, advised me that wasn't possible, and that I wouldn't be allowed to speak to the Premier.

Within about a week or so from that time, Mr. John White, the Treasurer, appointed a Judge Shortt to conduct the investigation. The only notification I received at any time was when I received notice that the investigation would take place. At no time was I ever given the opportunity to plead my case, either to any member or to the cabinet. My case was very different from that of the member for Lanark. He had the opportunity of standing in the House and declaring his innocence, but I, as a private citizen and reeve of a municipality, had no rights according to the Conservative government. I say that dictatorship at that time ran supreme here.

I now refer back to the election which took place in 1971 in Frontenac-Addington. The member elected at that time was a Mr. Wilmer Nuttall and his south riding campaign manager was the same Prof. Bennett, who was one of the investigators of the so-called investigation. In addition to the interference with my own welfare, this investigation held up a water system in the township of Kingston. A contract had been called and tenders received, but the government of this province would not allow the municipality to proceed, and that was caused by the same Mr. White. Because of that, it cost the township of Kingston exactly \$1 million more for the same contract 11 months later.

Who is going to pay the \$1 million? It will be the taxpayers of the township of Kingston. They are the scapegoats for this government. It was found that the township did not operate its system any differently from any other

township in the Province of Ontario. It possibly wasn't the best system, but it was the same system that they had been taught to use for 20, 30, 40 years and it had been successful all that time.

I want to go back now to my own case. It was necessary for me to obtain legal advice and to be put in the position of spending considerable funds to protect myself, my wife and my family.

If I had been guilty, I certainly would have resigned and taken my medicine, whatever it was. However, since I knew I was not guilty there was no way I would give in. But had it been someone who didn't have access to any funds that were necessary—to use the law facilities as protection—that person would have had to resign. He would have had to walk down the street with his head toward the ground and have people say forever and ever to his family and children that that person was a crook.

This was only caused by the cabinet; this was only caused by arrogance, and it shouldn't happen to anyone. It was only caused by jealousy.

We went through a long period of time listening to some of the accusations, and the learned judge did not hear the majority of them because there was no bearing whatever and no substantiation to them. They were just snide remarks made by those who wanted to be in a position to hurt me politically. Even after the investigation had been completed it took almost a year before the decision was handed down.

All during the investigation Judge Shortt took into consideration every word that was brought in by the opposition as evidence, and he also listened to all the defence. When the decision was handed down, all I received was the decision of the hon. judge. I did not receive a letter from those who had, I feel, possibly conspired against me. I did not receive one from the sitting member who was defeated in the last election and who helped bring the action. I did not receive a letter from the cabinet of the Province of Ontario, nor did I receive one from John White who used his office in arrogance and dictatorship. In other words, I did not receive one word of apology from any of those people.

I believe this is a terrible thing to have happen to anyone regardless of political affiliation. It is a dreadful experience for anyone to have to go through. Those who made the charges, and those government officials who assisted them, were allowed to drop the issue without any penalty being imposed on them.

At that time I suggested there was a possible conflict of interest between the member for Ottawa South and his brother the professor. He admitted arranging one of the meetings for him and his remark was that he had stated any interest he had with his brother to the cabinet. Either the same day or the following day the Premier was asked by the press about this, and the statement he made was that he didn't know the member for Ottawa South had a brother involved in it.

What I am saying here today is something I am not proud to have printed in Hansard. But I believe it is time for a serious change to be made in the legislation that allows four people like those mentioned previously from the township of Kingston, like the sitting member and the cabinet and a person such as the past Treasurer, to be allowed to act against a person in this manner. I feel it is certainly time for a change in that legislation so that this will never happen to anyone again.

Let us go back to the member for Lanark. When the suggestion was made that he might have a conflict of interest—he had previously been appointed parliamentary assistant to the Minister of Health and this certainly gave him an inside position as to what was happening in the health field by way of closing down the hospitals etc., in Perth as well, and the financial position of the ministry—I am very pleased he had the opportunity to stand up in the House and state his case, and receive consideration from all in this House. But at the same time, I would suggest he should not have been appointed in the beginning to that position because of the fact that he and his family had an interest in health care.

Again, I am sympathetic to the member. I was at that time and I still am. I wouldn't have spoken about it except for what happened here in the questioning of the member for Lanark—whether he had a possible conflict or not. That is why I am mentioning it today. But why should he be any different from anyone else? Why should his be any different from my case? How many others have been persecuted in the past and how many more will be persecuted in the future, unless some consideration is given to the facts before an investigation such as this takes place?

I am very proud to be able to stand in this House as an elected member—to be elevated from the position of reeve—and state that I have a clean bill of health physically from my doctor and a clean bill of health politic-

ally from Judge Shortt. I am very pleased about that. I am very pleased also—

Mr. Renwick: Not a bad bill of health from your voters either.

Mr. McEwen: Thank you very much. I'm very pleased to have had the opportunity of speaking. I apologize to those who wished to have time to speak. I'm very sorry that I took up approximately three and a half hours of this House's time. But I have a very deep feeling for those that need a home and haven't the funds for a high downpayment and haven't income to pay the high interest rate. What I've been attempting to bring out in my possibly rough, inexperienced way is the need for more housing, the need to eliminate the inflation in the cost of building materials and the need for a reduction in the interest rates that apply to those who are buying a home but have limited funds.

I've also attempted to bring out the fact that I believe, through the Wintario funds especially, we need this money to be spent on recreation centres because in my experience those buildings that have been erected in the Province of Ontario are bulging at the seams and have contributed greatly to all our people, especially our youth.

I've also attempted to bring out the delays in the planning branch of this government and the delays in recognizing honourable plans that have been submitted by those all through the riding of Frontenac-Addington, in particular. They have been deprived of even discussing the plan and they've been deprived of their rights that those plans should be distributed to the agencies to answer the questions either favourably or suggesting changes.

I have continued to attempt to bring out matters for those who are not in a position to speak for themselves. Again, I'm very pleased to have had the opportunity of speaking here and I hope in the future that I can add some contribution to all of our people in the province.

Mr. Lane: Mr. Speaker, I'd like to take part in this budget debate. I listened with very mixed feelings to the Treasurer of the province (Mr. McKeough) present the 1976 budget. I realize it was a very difficult budget to put together because of the very real need for restraints in spending. If we are to turn our economy around and prevent a recession from turning into a depression we must beat inflation. To do this, we must have restraints in spending at all levels of government.

I greatly appreciate that priorities have been reordered for 1976-1977, the tighter government controls on expenditures that have been introduced, the Ontario cost-cutting measures that have been recommended, the substantial reduction in the civil service and the substantial cutback of the capital spending of Ontario Hydro. All this I can support at this time. I could even agree that the Ontario drinker and smoker should pay more for their pleasures, but I have a very difficult time to agree with the substantial increase in the OHIP premiums.

Our party realized that something had to be done to control health costs. However, I cannot agree that this is the best way to do it, that is, by increasing the premiums. Even with the increase, the premiums collected will still pay for less than one-third of the health care delivered in this province. There must be a better way and a fairer way to do this. It will be suggested, that we introduce a deterrent fee to eliminate misuse of health. For healthy families that would be just fine. But for families that need health care on a weekly or a more-frequent basis this would not be fair. I think we want health care in this province and not wealth care. I find a deterrent would not solve the problem.

I personally feel, if we had a triple OHIP claim form or credit card type of a claim form so that the OHIP card holder would receive a copy of all the claims submitted to OHIP on behalf of the cardholder's family in any one period of time, many people would be so shocked to learn of what their families are costing the health care programme they would give a great deal more consideration to the need of medical services before seeking the same.

[4:45]

While most doctors are completely honest and make no effort at all to pad their OHIP claims or to encourage patients to make more office calls than are necessary, we do know there have been cases where it has been found that doctors have done this. If the person receiving the service had to sign a claim slip at the time he or she received the medical service, then any temptation to pad the account would be removed. I really think we could cut the cost of our health care system tremendously if we introduced some kind of a triple form or credit card system whereby the family would be aware of what they were costing OHIP; also, the doctors would not be padding any of their accounts.

The reason I speak about this in particular is that many of the people in my riding pay

the premium on a direct basis, and they're going to find this a real hardship. I'm sure this is the case right across the province. And even when an employer does pay a large portion of the premiums, the individual eventually will feel the effects because it will work down through the system to him.

I do think that OHIP services have been misused. However, in my riding, doctors are few and far between, and a trip to the doctor involves many miles of driving; in most cases, people only go to a doctor when they must. These people are not misusing the system and yet they are the people who have been hurt by the increase in the OHIP premium.

At this time, I'd like to return to a topic I spoke about in the Throne Speech debate; that is, the need for a Ministry of Northern Ontario. While the 1976 special support grant for northern Ontario has been increased by \$3 million over 1975, we are still being short-changed in many ways. This is not by intention, as many of the inequities in northern Ontario are created by isolation factors, one-town industries, etc.

However, I think one of the major problems in northern Ontario is that we're still being considered as a pioneer territory. Many of our youths are not really interested in being pioneers and are not ready to wait for years for some worthwhile development to happen in the north; of course, as a result of this, they head for the heavily populated centres where the action is. If we continue to export our youths, we are still going to be considered a pioneer territory 50 years from now.

While many of our own people often leave the north for the lack of opportunity, many people from other parts of the province, or out of the province, see northern Ontario as a place to make a quick bundle of cash by tapping into the resource industries. Often this works out well for all concerned because they start a company, hire people and improve the economy. But there are cases where our northern resources are being raped by those who wish to make a fast dollar and leave nothing worthwhile behind. This type of thing must stop.

We must provide more incentive for the full treatment of ore in the parts of Ontario where it is mined. It really bothers me to see ore being shipped out of the province, and shipped out of the north especially, for smelting and other processing purposes. These extra jobs would provide a faster population growth and demand for other goods and services, in addition to making the north much more attractive to our young people.

Having been in the insurance business for many years, I am concerned about the small number of companies willing to do business in northern Ontario, compared with the total number of companies licensed to do business in the province. I am also concerned that the large transport operators make good profits on trucking in the heavy industrial area of southern Ontario and then use some of these profits to operate a break-even or a loss operation in the north so that they can probably squeeze our small northern transport operators out of business. Of course, if this happens, then the big companies can zero in on us and make big profits by trucking in the north.

I'm also concerned about the lack of mortgage money available in the small areas of the north. I repeat my concerns about the lack of input to government by our native people and by the people living in the various areas of the north with no local government to speak for them.

I'm concerned that we pay a double penalty for living in the north. The first penalty is choice. We want to be northerners. We want to live there. We know we must accept certain penalties.

Mr. Reid: Why should we have to? Why should we have to pay for certain benefits?

Mr. Lane: Well, because we have to travel farther from point A to point B to do business. We know that when we decide to reside there. We know we have to heat our home more months each winter because the weather is colder. I am not objecting to those penalties, because I choose to be a northerner. I am proud to be northerner.

Mr. Reid: And the Ontario government makes you pay for being a northerner.

Mr. Speaker: Order, please.

Mr. Lane: It is a matter of choice where we live, and I personally chose to live in the north. But on the other side of the coin, if Ontario is going to continue to be the wealthiest province in Canada, many people must live in the north to harvest the rich resources found there.

The unfair penalty I find is that we have to continue to pay more for the basic commodities of life. I am concerned that legislation often is passed in this province that does not fit northern Ontario. It really needs a different application than other areas of the province. I might say that some of this legislation is land separations and subdivision approvals, and such like that. What makes

good sense down south, doesn't make any sense at all in the north.

I could carry on for another hour or so expressing my concerns regarding the lack of service and other related problems in the north, but—

Mr. Reid: Go ahead, list some; we may be here all night.

Mr. Lane: As I have already said, the lack of attention to the north is not intentional. It is just that the multitudes from the heavily populated areas are demanding much more attention from the various ministries and there is just not sufficient time to give the time to the complicated problems of the north that they deserve. After being here for nearly five years and watching the process, I cannot see matters improving.

Mr. Reid: Hear, hear. Are you going to cross the floor?

Mr. Lane: For this reason I projected the idea of a Ministry of Northern Ontario; something for those people in the north to relate to.

Mr. Reid: That's a Liberal programme. You are stealing our programmes now.

Mr. Lane: The member can support me. I'll be glad of his support. I think it is a good idea.

Mr. Reid: We have been saying that for five or six years.

Mr. Speaker: Order, please. The hon. member will continue without interruption.

Mr. Reid: I just want him to know someone is listening.

Mr. Wiseman: Are you recommending him for the ministry?

Mr. Lane: It would be something that the people of the north can relate to, that we can really hang our hat on. It would be a vehicle that will take government to those vast areas of the north which make up a large portion of this province. It would be a vehicle that will research and investigate and relate to the people and their problems; a vehicle which would help develop the north as never before.

I think every member of this House representing a northern riding knows the problems and the concerns about which I speak. The only difference is that I want to do something about the situation now, because it has been let go too long. Unfortunately, members of the NDP seem only interested in making

critical remarks in the north and talking about the problems and not supporting me in my efforts to offer a solution to the problem.

Mr. Samis: Why did you lose those seats in the north then? Tell us about Algoma.

Mr. Lane: Mr. Speaker, I say and I have always said that our first concern should be for the well-being of the people we represent, not for personal gain or the lack of it.

It is in the best interests of the entire province to stimulate the growth of northern Ontario. The people who live in the north should be entitled, as far as possible, to the same opportunities and standards of living found elsewhere in this province.

Interjection.

Mr. Lane: I am glad the members opposite are going to support me at last.

Interjection.

Mr. Deans: Mr. Speaker, I wonder if I might move the adjournment of the debate for the purpose of the private members' hour, simply because my colleague who is to speak next didn't expect to be in until 8 o'clock.

Mr. Deans moved that adjournment of the debate.

Motion agreed to.

PRIVATE MEMBERS' HOUR:

PUBLIC HEALTH AMENDMENT ACT

Mr. Leluk moved second reading of Bill 38, An Act to amend the Public Health Act.

Mr. Leluk: I would just like to mention again that the purpose of the bill is to ensure that prescription drugs in liquid form, certain over-the-counter drugs, patent medicines and household substances including chemicals, that are for sale in Ontario, will be packaged in child-resistant packages.

This is the second time I have risen in this House to speak on this very important matter. You may recall, Mr. Speaker, that in March, 1972, I introduced a private member's bill which, at that time as well, was an Act to amend the Public Health Act. The purpose of that bill was to ensure that prescription drugs dispensed in solid form—that is, in tablet and capsule form—would be dispensed in child-resistant containers, as well as patent medicines in solid form.

At that time I didn't include liquid medications because we didn't have a suitable

child-resistant container available on the Ontario market for this purpose. Dr. Potter, who was the then Minister of Health, supported this legislation or bill as did the three parties who spoke on it in the House during the private members' hour. I was very pleased that on July 19, 1972, the cabinet passed Ontario Regulation 362 under the Pharmacy Act, making it mandatory that prescription drugs be dispensed in child-resistant containers, certified and designated by the Canadian Standards Association.

There were some initial setbacks. We had no standards; they had to be devised. Then, with the oil crisis shortly thereafter, there was a shortage of plastics for a period of time and there were not adequate supplies of these child-resistant containers for the pharmacies in the province. Therefore, it wasn't until Jan. 1, 1974, that the regulation actually came into force.

I have always prided myself on the fact that Ontario has been a leader in many areas with respect to progressive legislation. So it was in this instance. I believe we were, at the time, the first jurisdiction in North America to enact this type of legislation although there were other jurisdictions looking at it. We certainly were the first province in Canada. Shortly after, I believe British Columbia, Prince Edward Island and Great Britain enacted similar legislation. I believe also that the Province of Quebec has either enacted similar legislation or is in the process of doing so. Our neighbour to the south has also followed suit in this matter.

I am disappointed, though, and ashamed to say that we have been bypassed by several jurisdictions in this regard and are now the followers. It was right here in Ontario that the Ontario Association for the Control of Accidental Poisoning was established in 1963 and pioneered the invention or design of the childproof safety closure for the control of accidental poisoning.

In 1965, there appeared the first practical, effective and inexpensive child-resistant container for solid medications, the Palm-N-Turn vial. It was invented, developed, produced and marketed in Ontario. In 1966, at the annual convention of the Ontario Pharmacists Association, they unanimously voted that all prescription medications henceforth be dispensed in child-resistant containers. It was eight years later that this became a reality through legislation, with the making of Ontario Regulation 362.

Legislation progressed apace in the United States and I believe on May 11, 1970, the United States Senate passed the Poison Pre-

vention Packaging Act of 1970. In a Senate speech following the passage of the bill, Senator Moss of Utah, one of its proponents, spoke of communications from British officials suggesting the bill might form the basis for similar legislation in England. I believe this took place in 1975.

The legislation was all-encompassing, dealing with prescription drugs and what we call in the pharmaceutical trade over-the-counter drugs—these are drugs purchased without prescription—and household substances or chemicals. The provinces in Canada have jurisdiction over health in the field of drugs and therapeutics whereas the federal government, through the ministries of National Health and Welfare and Consumer and Corporate Affairs, has a good measure of responsibility in the control of over-the-counter products and no-prescription household chemicals.

[5:00]

The ideal situation would have been for the federal Minister of Health to enact similar legislation to that of Ontario or that which is found in the United States with its Poison Prevention Packaging Act of 1970. However, the federal government of Canada continues to procrastinate in this regard while the lives of our young children are imperilled.

In Ontario with 7.8 million residents, surely these are not all accident prone, but what segment of the population are we really talking about here? It's from birth to six years, or the "poisoning years" as we know them to be—the years of greatest risk, the peak years for about 95 per cent of all ingestions. It is the pre-school child, the child who is curious, adventurous, the taster. These are the children who are like vacuum cleaners and who eat everything in sight.

I have to apologize to the House that I go back to 1971, but I have tried for the past year to obtain updated statistics from Ottawa and have been unable to find any published statistics in this area since 1972. Based on these 1971 figures, Ontario had then approximately 781,000 youngsters in the vulnerable years under six. This means that over three-quarters of a million children are in jeopardy and potential victims of accidental drug ingestion.

If each of the 7.8 million people in this province average four prescriptions per year, we are talking of 31 million plus prescriptions. Three out of four will be for solid drugs. This means 31 million prescriptions in unsafe containers before the child-resistant containers came into effect. I'd like to ask

whether we would allow 31 million loaded firearms into our homes, each one a potential killer.

Mr. Deans: It's not a good question.

Mr. Leluk: The magnitude is even greater when you think of the thousands of over-the-counter preparations and household substances available on the market and found in many households today, such as bleaches, corrosive chemicals, petroleum distillates, cleaning solvents, paint thinners, polishes, turpentine, wood alcohol, lemon oil, etc.

Prescription drugs were the first target. Statistics of the Windsor poison control centre had incriminated approximately 20 to 25 per cent of all prescriptions dispensed in the province; ASA, better known as Aspirin, and other over-the-counter items, about 25 per cent plus; household products accounted for about 50 per cent. At present, we have no protection in this province through legislation—nor in Canada for that matter—for approximately 75 per cent of the products mentioned. These are the household products and drugs which can be purchased without prescription.

How prevalent is the incidence of accidental poisoning in Canada and in this province? A review of the statistics gathered by the National Health and Welfare poison control programme shows that in 1971 in Canada there were a total of 32,576 poisonings from drugs, 7,591 attributable to Aspirin. The recorded number of poisonings by other drugs has not increased rapidly but its percentage of the total is up by 35 per cent, to 47 per cent. The number of reported poisonings from 1965 to 1971 increased from 27,033 to 52,751—a 95 per cent increase. The number of reported cases rose to 53,531 in 1972. In Ontario, in 1972, 22,458 cases were reported; there were 2,057 hospital admissions; and 132 deaths of the 319 for Canada.

The number of deaths in 1966 was only 16, but steadily has increased to 132 in 1972. The bulk of the poisonings in 1971 occurred in the birth-to-four age group, which accounted for 30,932. This group still comprises the largest portion and accounted for 63 per cent of the total number of accidental poisonings in 1971.

Dr. Henri Breault, president of the Ontario Association for the Control of Accidental Poisonings and a pioneer in the prevention of childhood poisonings, stated that one must be naive to believe that this is the total picture. Workers in the poison control centres across Canada know that only a small fraction of accidental poisonings are reported. A figure triple the amount of known cases would

be quite realistic and probably closer to the actual figures. This would mean then 160,000 cases for Canada in 1972 and 67,000 cases in Ontario for that year.

How effective are those child-resistant containers as a deterrent to childhood poisoning? I believe that we have ample evidence to show that they are quite effective. Dr. Henri Breault stated that the earliest endeavours were based on the theory of accident prevention. They stressed education to the public—parents, children, physicians, everyone was cautioned against poison hazards.

During the nine years of intensive and extensive educational efforts they found that the poisoning situation in Windsor, in the Essex county area, had increased. The number of over-the-phone patients and those treated in person at the Windsor poison control centre rose from an initial 800 in 1957 to an approximate 1,000 in 1966.

Protection then has to be the keystone of a successful programme for the prevention of the poisoning of pre-school children. Labels bearing the words "Keep out of reach of children" have no meaning to the poison-prone illiterate pre-schooler. Inaccessibility is not in his vocabulary. Containers cannot be kept out of the child's reach but its contents can be kept out of the child's mouth.

Caveat emptor—let the buyer beware—is no longer an acceptable merchandising practice in the marketplace. We live in a child-centred, safety-oriented society. Pilot studies have established beyond any doubt that childhood poisonings are preventable.

In Essex county we had the first extensive use of the child-resistant container which began back on Jan. 1, 1967. This was a four-year pilot project in an area with a population of 300,000 people. The child-resistant container used in this particular project was the Palm-N-Turn vial and it was dispensed through 60 pharmacies in that area over the four-year period. There were some 3.3 million of these vials dispensed in that time period. There was a reduction in prescription drug poisonings of 88.6 per cent—which is very significant—and an overall reduction in poisonings of 64 per cent.

Another separate clinical study was conducted in the Fort-Lewis-McCord air force base complex and the Madigan General Hospital in Tacoma, Wash., from May 1, 1967, to Dec. 1, 1970, involving a population of 120,000 people. This programme covered a three-year period and 1.07 million child-resistant containers were dispensed. The poisoning rates were reduced by 87 per cent. Similarly there has been a reduction in inges-

tion rates of some 95 per cent regarding children's 1¼-grain flavoured Aspirin, which were also tested during this period.

During the period from 1966 to 1972, the percentage of poisoning cases due to Aspirin declined in Canada from 24 per cent to 11 per cent. A report from Health and Welfare Canada indicated this decline is due in part to education and to use of safety packaging. But I want to stress here, the packaging was not child-resistant containers but what we call strip packaging. Labelling changes and restrictions as to the numbers of Aspirins to be found in a container also were credited.

In the March 27, 1975, Ontario Hospital Association bulletin, entitled "For Your Information" under the heading of "Child Accidents Decrease":

The Hospital for Sick Children [here in Toronto] reported a 30 per cent reduction in the number of victims of accidental drug ingestion, which could be attributed to new regulations for bottling and capping medicine containers.

In the Toronto Star, dated April 14 this year, an article appeared and I'd like to quote from that article, titled "Pill Bottle Safety Caps Are Working, Senator Says:" "The number of small children dying from overdoses of Aspirin has dropped dramatically in recent years because of safety caps on pill bottles, Sen. Frank Moss reported yesterday."

Sen. Moss, as I mentioned earlier, was one of the prime proponents or movers of the safety packaging bill which the United States Senate passed in May, 1970. The Utah Democrat chairman of the US Senate consumer subcommittee said that Aspirin poisoning deaths among children under the age of five had dropped 48 per cent since 1972. Moss also said that an army study—which I have referred to—showed an 88 per cent drop in poisoning among children from other drugs since 1974.

What is the public attitude toward this type of protection? In February, 1972, I mailed out some 20,500 questionnaires to my constituents asking their views on whether legislation should be enacted to ensure that all prescription drugs and other potentially dangerous drugs be dispensed or sold in child-proof containers to prevent accidental poisoning of children. I received a 21.2 per cent return—4,353 questionnaires—with 83 per cent favouring such legislation, totalling 3,635.

Professional associations like the Canadian Pharmaceutical Association—recently I received a letter from John Turnbull, who is

the executive director of this association. He wrote me on Dec. 5 last year thanking me for sending him a copy of my bill. He assured me that the principle of the bill was in keeping with policy statements of the Canadian Pharmaceutical Association.

The Ontario Pharmacists Association at an annual convention in 1966 supported the use of child-resistant containers and requested such legislation. The Ontario Association for the Control of Accidental Poisoning, in the president's report in 1971, petitioned for government legislation in this regard.

In June, 1971, the Canadian Pediatric Society—

Mr. Speaker: Will members of the New Democratic Party keep their voices down, please? It is very disconcerting to the speaker.

Mr. Leluk: In June, 1971, the Canadian Pediatric Society pressed for legislation for these child-resistant containers for all potentially hazardous substances and requested the federal Minister of Health and Welfare to act at once toward implementation of this objective, through a safety packaging Act, for the protection of the children of Canada.

Almost five years later, we are still waiting for this legislation.

On April 16 this year—I want to quote from Paul Kidd's statements made on Opinion. This is a commentary after the 11 o'clock news on CHCH-TV in Hamilton. He was referring to my bill and he said, "It seems to me that such an amendment to the Public Health Act is long overdue for surely this is the type of private members' bill which should be passed without delay."

The president of PAC, the manufacturers of non-prescription medicines, Mr. Donald Harper, wrote me on March 24 this year stating that the member companies of PAC are pleased to work with me in this endeavour. [5:15]

I believe this legislation is of public importance and in the public interest. If Ottawa does not want to enact this legislation nationally, Ontario should act to protect the children of this province. This is not likely to happen on a voluntary basis. Child-resistant packaging and mandatory child-resistant containers on prescriptions and for, say, prescription drugs, and over-the-counter drugs, and for household substances, must be legislated. This is the only measure which will ensure the safety for our youngsters.

I have spoken to the acting Minister of Health (B. Stephenson), and have spoken to the Attorney General (Mr. McMurtry) as

well about this bill. I expressed to them the urgent need to have cabinet enact regulations passing this legislation for the Province of Ontario.

Mr. Deans: I might tell the member for York West (Mr. Leluk) that as always we support the concept that he has put forward on this occasion. The member for York West and I have shared the concern for this particular matter since he came into the House in 1971. Prior to that I shared it with others, and I think that this is a natural extension of the existing regulations that we have in the Province of Ontario.

I think the unfortunate part about the majority of the statistics available in Canada with regard to poisonings is that they are somewhat outdated. It is very difficult to find published statistics for any period beyond 1972 for all of Canada. That obviously makes it difficult to determine whether the legislation that was introduced in the Legislature some two years ago or more has had the desired effect.

There is some body of opinion which seems to think that it was as much the public awareness that arose out of a public education programme as it was the introduction of childproof drug containers that has resulted in the reductions of child poisoning. I don't share that view. I think that the introduction of childproof containers was a fairly major step forward in child safety in the Province of Ontario. And I think that the government should not do what it did previously and sit idly by waiting for some bolt of lightning to hit them to get them to understand that it would make sense to extend what currently exists to liquid prescriptions, liquid over-the-counter drugs, and also to containers of household chemicals.

There are some problems with this unfortunately, as there are with everything. They are the same kinds of problems that I remember raising in 1968 and 1969 and 1970, prior to the member for York West being elected, and I raise them again because they are important.

The problem is that there are adults in our society who, because of arthritic conditions or otherwise, have some considerable difficulty manipulating the childproof container top. For that reason it makes sense that in any provision within the Public Health Act or any other Act we make sure that there are alternative containers and tops available.

I think, for example, that many elderly people who have no children in the household, and who obviously run little if any risk of

having a child take poison or drugs inadvertently, ought to be able to ask the druggist to obtain from another source a container that doesn't have the childproof qualities about it. I think we have to understand that because it happens to be a fairly major problem.

I know also of people who are crippled—I can think of a number that I met fairly recently while taking part in a Participation House telethon—who would not be able to open the childproof drug containers. I was speaking to my colleague, the member for Durham West (Mr. Godfrey), who's a doctor very much involved in arthritic conditions and the like, and he and I agree that for a great number of his patients it would be virtually impossible to manipulate the childproof container.

I think, as we give approval to this, we also have to be sure that if the government were to implement it that it pay recognition to the problems those people would have and make sure that the regulations are written in such a way as to guarantee that it would not be unlawful for a vendor to provide a container other than the container prescribed by these regulations to be drafted by the Lieutenant Governor in council, in the event that the purchaser expressly requested that that be done for reasons of inability to manipulate the top.

The whole field of child safety is one that a number of people in this Legislature have raised over the years and this is but one aspect of it. I don't think we carry on a sufficiently broad or forceful educational programme in the Province of Ontario with regard to child safety. That's not necessarily the responsibility of this government alone. I think this falls on school boards and other levels of government equally heavily.

I think, in looking at the whole field of child safety, we have to have considerable concern for the fact that a well educated youngster—I don't mean well educated in the sense of having a good education—a child who is educated properly with regard to the use or whatever of drugs would stand a much better chance of surviving than some poor child who's never had the opportunity to understand the penalties of taking something they don't know much about.

I think that what we're saying is this—I don't understand, I've never quite understood, why this needed to be a private members' bill. I didn't understand it in 1968 and I don't understand it in 1976. I didn't understand in 1968, when I first introduced it, why we needed to have private members' bills on

such obvious things. I don't understand in 1976, after a number of debates and after the government has taken some rather tentative steps, why we need have yet another private members' bill before us.

I would have hoped that by now the Ministry of Health, together with other ministries, would have understood that this made abundant good sense in the Province of Ontario. The work undertaken by Dr. Breault in Windsor was work from which there flowed a wealth of information which ought to have enabled us to come to clear decisions about the value of doing this.

I would suggest this ought to be the last time we ever have to rise in the Legislature and debate the simple, obvious matter of ensuring safety in the use or sale of corrosives, household chemicals of all kinds, and liquid drugs. This should be the last time we ever have to stand in the House and debate the value of ensuring that they are contained for public use in childproof containers, given the caveat I put in previously.

I think, as the member for York West said, one of the difficulties in the 1968, 1969 and 1970 period was, of course, the common complaint that no container had been developed which was satisfactory for liquids. That's all behind us now. I think many of us didn't believe it then and it turns out it is certainly no longer true. There are containers available. They're not all of the same type but there certainly are containers available now which could be used.

I think while we're doing it the member might give some thought to something else which could be easily incorporated. Let's go to standard containers when we do it. Let's go to a standard container—standard size, standard colours, everything. Then if a person has a brown bottle, for example, containing something that is harmful, that can be easily identified—there can be no question about it. Let's go to standardizing containers in at least that way. Let's go to standard sizes so that we can have two or three sizes of containers and no more—so that we would not have a great multitude of containers and variety of sizes available. It's got to be more costly, for one thing. Secondly, it's obviously more difficult for parents to maintain some kind of control over them.

So with those few comments and without belabouring the point, I just want to suggest that the government ought to pay attention this time. The member for York West and I say—I think we have said it often enough and needn't say it over and over again—it is time for the government to do something. With

all of the cabinet ministers present today, I say to each and every one of them that it's time that they pay heed.

Mr. Samis: Even the Minister without Portfolio (Mr. Henderson).

Mr. Deans: Now I know. I wondered what the Minister without Portfolio does, and now I know.

Mr. Samis: Right.

Mr. Deans: He comes in and listens to private members' hour so that he can report to cabinet what it is we're saying. Is that what it's all about? That's what he's assigned to do by the Premier (Mr. Davis)?

Mr. Speaker: The hon. member's time has expired.

Mr. Deans: My time has expired. Anyhow, I support the concept with those two or three additional suggestions, and hope that this is the last time we have to do it.

Mr. B. Newman: I rise in support of the bill as introduced by the member for York West (Mr. Leluk) and commend him for its introduction. At the same time I am very critical of his cabinet colleagues who have had all the opportunity in the world to introduce such legislation years back. Had legislation such as this been implemented, the lives of many children might have been saved and they would not have paid that supreme sacrifice, so to speak.

The member for York West naturally, as a pharmacist, is especially interested in such legislation. But I must credit him for giving real credit to the two individuals from the city of Windsor. It was their dedicated devotion, hard work and efforts to convince those who refused to be convinced that child-resistant containers were one of the answers to accidental poisoning. Not the only answer. Education is part of the answer, but it isn't a complete answer. It takes a combination of elements to eliminate almost completely accidental poisonings, especially in children and especially in those under the age of six.

It was Dr. Henri Breault and a pharmacist by the name of Bill Wilkinson, who—if I'm not mistaken I had the pleasure of attending school with him in days gone by—pioneered this whole approach. Actually, the organization for the control of accidental poisoning was set up by Dr. Breault and Mr. Wilkinson back in 1962 and the association called the Ontario Association for the Control of Accidental Poisoning was chartered in 1963.

Despite government reluctance, Mr. Speaker, the founders, Dr. Henri Breault, who was a local pediatrician, and Bill Wilkinson, a pharmacist, proceeded undaunted in their attempt to provide a solution to child poisoning. They were drawn together by a mutual belief that the number of child poisoning accidents in Windsor and thus across Canada and other parts of the world could be substantially reduced. They never wavered in the belief that they could reduce those poisonings.

While their Ontario Association for Control of Accidental Poisonings never hit the pharmaceutical manufacturing industries with the same type of attention as did Ralph Nader when he pioneered—I shouldn't say pioneered—brought to public attention the weaknesses in the automotive industry. These two individuals, Dr. Breault and Mr. Wilkinson, continued their devoted work of convincing others that there was a solution to the accidental poisoning of children.

It was in 1973 that legislation was first introduced but it took many years for the two gentlemen to convince governments of the merits of their suggestions. It was back on Oct. 15, 1968, that Dr. Breault, who was president and medical director of the Ontario association, first wrote me and presented to me a brief headed: Poisonings are Preventable: An Experience with One Million Child-Resistant Containers.

This was presented at the Canadian Pediatrics Society's annual meeting in Saskatoon, Sask., on June 26, 1968. I don't intend to read the brief at all as the previous member or the member for York West read excerpts from the brief. He did mention the situation in Windsor and the experimentation in the Madigan General Hospital and the McCord air force base, both situated in Tacoma, Wash. As a result of these control procedures they certainly were able to arrive at the conclusion that the only answer to child poisoning was some type of safety closure. One can try to keep the containers out of the children's reach but it's almost impossible. Rather than trying to keep the container out of the child's reach if you had a type of safety closure at least, if the child got the container, the child had difficulty opening the container.

In my own community there is an individual who is an unusual man; a fellow by the name of Peter Hedgewick. I grew up with Mr. Hedgewick and I can recall him in his early days building his own aircraft and flying it on the vacant fields close to where he lived. Pete took a machine shop

programme in a vocational school, conducted his own orchestra, and had a very inventive mind. When he was approached by Dr. Breault, in the community, he sat down in an attempt to find an answer to the development of a child-proof or a child-resistant container. The Palm-N'-Turn safety cap was the result of Mr. Hedgewick's ingenuity and assistance from both Dr. Breault and Mr. Wilkinson. Really, a debt of gratitude is owed to Dr. Breault first; to Mr. Wilkinson who worked with him; and then Mr. Hedgewick who developed the Palm-N'-Turn bottle cap. All of this in the great riding of Windsor-Walkerville, Mr. Speaker.

Mr. Speaker: You have 30 seconds left.

Mr. Spence: That is a great riding.

Mr. B. Newman: The information I have dates back to 1968. Also, some of it can be found in a brief presented by Dr. Breault to the 15th annual meeting of the American Association of Poison Control Centres on Oct. 16, 1972, in New York city. In the brief they mentioned that the poison control centre in the city of Windsor first began operations in 1957. In the first year they found out that there were two poisonings a day, approximately, or close to 800 in the course of a year.

Mr. Speaker: Order, please. The hon. member's time has expired.

Mr. B. Newman: If I may, Mr. Speaker, simply mention then that we heartily support the bill as presented by the member. We hope the development of a new container doesn't substantially increase the charges levied by the dispenser or the selling agent to the individual. We heartily endorse this because the elimination of this type of poisoning could substantially save funds as far as health costs are concerned.

Mr. Drea: Mr. Speaker, presumably like all the other speakers, including those who will follow me, I'm obviously going to support this bill. May I echo the comments of the member for Wentworth (Mr. Deans) and those of my own colleague from York West (Mr. Leluk)—I certainly hope this is the last time this issue has to be raised in a public forum.

The three previous speakers have demonstrated the need for such legislation, if there needed to be a demonstration of the need for it. They have raised the spectre of many of the tragedies, whether they are in the form of death, lasting injury or permanent impairment. I would like to take a look at some of the reasons that the federal govern-

ment, this provincial government and nine other provincial governments have been sadly lacking in what to me should be their public duty.

I suppose the first point is that it might be better if there were a national stand. Frankly, I think that we in this province—I think this spans the provincial legislatures across this country—have become far too reliant on the comfortable optimism that if a need is demonstrated and the need is apparently nationwide, in the fullness of time the federal government will accept its responsibilities and produce the legislation. Certainly, in a number of areas in the province, in terms of consumer protection, in terms of controlling loan sharks and institutions posing as financial houses, I think we've waited far too long for the federal government to act.

Mr. Haggerty: How did housing get into this?

Mr. Drea: I was coming to housing. I have spent two very long years, let me tell the member, as did eight other provinces but an absolute stonewall by the federal government has set back housing warranty programmes 24 months in this country.

Mr. Warner: It's a bad lot.

Mr. Drea: Not only is it in this field but certainly in the field of automobile safety; we could go on endlessly. I don't want to blame the federal government for this because if one has a lackadaisical institution one is relying upon to meet the needs I suggest there is some fault with oneself.

The ability of the federal government to move into these fields, particularly in the last few years, is not only virtually non-existent but the public that is asking for protection now knows abundantly well that it is non-existent. I think the time has come for us to disregard the optimism that the federal government will introduce a simple, nationwide code so there will not be difficulties for manufacturers, distributors, pharmacists, what have you, because of different standards in different provinces. When we have lives at stake I think the time has come for us to force the issue.

Mr. Warner: There is no effective opposition in Ottawa.

Mr. Speaker: Order, please.

Mr. Drea: The hon. members opposite had their opportunity a couple of years ago when they could have done it like this, and I didn't see it being done.

Mr. Samis: There were 107 Tories then.

Mr. Drea: As a matter of fact, in the spirit of the private members' hour, I suggest to my friends that the current government in Ottawa is so arrogant there isn't an opposition yet invented or made that can make it do anything.

Mr. Foulds: Just like the Tories in the last session.

Mr. Drea: They seem to be far more interested in doing silly things like raiding newspapers on Friday afternoon so they can get their picture in the paper, than they are in meeting some very real needs.

But I want to come back to some of these questions that we must ask. I suggest that as the foremost province in Canada, the province with the most administrative resources and the province that is the biggest market, we can not only take legislation like the Public Health Amendment Act of the member for York West and make it practical, but the rest of Canada can follow us.

I suggest that part of the problem that may be holding people back was raised by the House leader of the New Democratic Party, that there is not a regulations committee that couldn't sit down and draft exemptions or certificates whereby people could buy containers that aren't foolproof simply by certifying they have no young children in the house and that they have an arthritic condition. That, to me, seems extremely simple; any legislative committee can set up exemptions like that.

First of all, products have already been labelled on a national scale as hazardous or what have you. If I recall correctly, before that was done, every manufacturer of metal or plastic packages screamed that this was going to throw an exorbitant burden on the consumer. But they are still here today. Another problem that everybody was so concerned about at that time was unlabelled products and what would happen to them on the shelf. After a certain period of time they had to be thrown in the garbage or sold at reduced price; so there was no problem.

Again, the federal government, which we are waiting for in this regard, has already introduced compulsory packaging legislation that the package, whether it is imported from the United States or wherever, must be in two languages. They have demonstrated that if they want to do it, they can do it. Obviously in this field they have no intention of doing anything.

I suggest that, after a very careful look at the member's bill, and probably because so

many other bills have been debated, it is far above the usual standard of a private member's bill, which is generally to introduce discussion, to stimulate debate and to produce dialogue in the hope that people will become interested enough to translate the ideas of the private bill into government legislation.

I suggest to you, Mr. Speaker, the time has come that this bill should provide the framework for government policy. I suggest we should not wait for the federal government; we should consult with other provinces. If we do it, the other provinces will consult, because they will be very interested to see that this is a practical reality that doesn't dislocate the business system, does protect the infant child and does alleviate all of the problems that have been raised today.

As a matter of fact, the only thing that will happen if we do it by ourselves is that there will be a bit of expense in Ontario that there probably won't be in the other provinces, and I suggest that we can well afford it in this province.

Mr. Foulds: Even in this time of restraint?

Mr. Drea: To have a government that is concerned about putting skulls and crossbones, "Children Beware" and "Hazardous," etc., on labels, is all very well. But the obligation of government is not to produce legislation that is philosophically acceptable; it is to produce legislation where the delivery mechanism meets the need. In this matter, I suggest we are really flying in the face of all the practical realities when we suggest that labelling, cautions, colours and this type of thing are going to be preventive. The real preventive is a foolproof container. They are on the market; there is no reason to wait any longer.

The final thing I would like to say in this regard, Mr. Speaker—

Mr. Speaker: In one minute.
[5:45]

Mr. Drea: —is that for those of us in the House who have participated in Workmen's Compensation Board hearings, it has always been very disturbing to find out that the worst place for accidents, the worst place for tragedies, is the home, because people tend to be much more careless there than they would be in a place where they know there is danger. Surely, it is time for a government to begin turning back the time when an individual's home and the safety of his children are one of the worst hazards he meets, simply because of a bit of protocol that perhaps Ottawa or somebody else should do it first.

Mr. Speaker, in this regard, the province should lead. I certainly hope that this is the last time such a bill has to be debated in this form in this Legislature.

Mr. Davidson: Talk to them, Frank. Talk to your front bench.

Mr. Dukszta: I support the bill. It is a bill which is long overdue—a good bill—and I congratulate once more the member for York West for bringing it in. I have valued his services to the health field from the point of view of pharmacy for some time. But before the member for Scarborough Centre (Mr. Drea) leaves, I'll not remark on what he said except for his comments about the federal government and the provincial government. He has produced a sophisticated apologia for the inaction of the provincial government and before he leaves, why doesn't he listen?

Mr. Samis: Camouflaging inaction. He's running away.

Mr. Wildman: He is hiding.

Mr. Dukszta: Mr. Speaker, may I give a message to the member who is departing. After all, he is a parliamentary assistant to the Minister of Consumer and Commercial Relations (Mr. Handleman). He should be able to take the message that he so ably delivered here to the federal government, to his own government of which he's a member.

Mr. Deans: I don't think they would listen to him.

Mr. Dukszta: I don't believe they ever listen, particularly to him, but nevertheless it's his responsibility, just as much as it is a responsibility of the member for York West to deliver the same message to the caucus.

Mr. Warner: Take it to the cabinet.

Mr. Dukszta: After all, he is a member, though a back-bencher—but, nevertheless, a member of the government.

Mr. Foulds: He is a parliamentary assistant, too.

Mr. Dukszta: This type of action should be taken by the government introducing this bill. The best I can hope is that this is some kind of a floater which you are trying for its effect on everyone to see whether this will be accepted by people here, and then, in turn, the government will introduce it. I sincerely hope so.

Mr. Warner: We expect to see legislation here next week.

Mr. Dukszta: But the government has tried it so often that I suspect nobody up there is listening to the member for York West; but I am. Nevertheless, the bill is good and should be brought in by this government, which should not be concerned whether or not other provinces have introduced it. This province is large enough to introduce it itself and insist that the manufacturers produce a container which is safe for children and other people to use.

The problem itself is not just the container or its use in the home. The problem is much larger. It is quite true that most accidents occur at home. They occur at home not only because the containers are opened, because poison is available, but because quite often the parents and the guardians are unable to provide enough supervision for children. Sometimes they do not know themselves—they have not been taught. Sometimes the medicines are not well marked. Or, sometimes adults are not at home, or there is no supervision at all for the children.

There are a number of solutions which could be achieved. This is only a minor bill which says that we have solved all our problems by making a container for medicines and for chemicals that is child-resistant. This can only be a partial solution.

I would suggest very strongly to this assembly, straying slightly from the bill, that if we provided more daycare centres, we would probably reduce the child mortality rate as much as almost anything else. The need of the working class families for some kind of help in taking care of their children, especially if both parents are working, is such that it is essential for our province to provide day care.

I don't want to say much more except that, within the limitations, the Act is good and it should be supported. I am supporting it and I sincerely hope that the member for Scarborough Centre is bringing it to the notice of the government.

Mr. R. S. Smith: It's about the fifth or sixth time that I've spoken on a similar type of bill in the same way that the member for Wentworth has indicated. I believe that he introduced bills in 1967, 1968, 1969, or in that period. I had a bill at that time as well in regard particularly to solid medication. It was based on the results of the research done by the people in Windsor and in Tacoma, Wash. We did evolve the type of safety container that's now used for those types of medication.

It's getting rather difficult to put the same thing through the wringer five or six times.

I know when this bill came on the order paper and was called for first reading all of the speakers here today went back and looked at what they said five or six years ago. I could read back to the first speaker what he said today. In 1972, he said exactly the same thing. We're getting pretty repetitious, but the fact is that it does deal with a somewhat different type of substance in that it indicates that we should have a childproof container for those over-the-counter medications, patent medicines and household chemicals that are in a liquid form and that are considered dangerous as set out in the Act.

The problem, however, is to set the regulations. I would just like to advise the House, and I don't think anybody has indicated this in their earlier remarks, that at the present time the Canadian Standards Association has a committee established that is attempting to set standards. It is to be hoped that as soon as those standards are set in the very near future this government will accept them and put them as regulations to a bill such as this Bill 38. We would then have the protection we need.

At the same time, however, there is now being used for certain caustic materials and poisonous materials, especially cleaners and that type of thing, a type of safety cap and container that is working very well. It's a totally plastic container with a screw cap that has to be pressed down before it can catch the threads and be released. That is available at the present time and is in use, although not in general use.

The fact of the matter is that there is sufficient technical knowledge available now and there will be a report shortly from the Canadian Standards Association setting up the standards of that technical knowledge that will allow us to go ahead and produce the regulations that would be required under this bill. I don't think there is any question that whether it is the federal government or the provincial government, and it doesn't really matter to me who goes ahead and does it, the information will be available to have it done in the very near future.

I would just like to point out, however, that although some members opposite may claim that this is primarily a federal responsibility,

I don't believe they all think that way. It was a previous Minister of Health who as a backbencher spoke on one of these bills in 1969 and said that it is our responsibility here. He then became minister, but when he was a minister, in 1972, three years later, we still didn't have any legislation presented in regard to the solid medication.

It's a question of procrastination by government, whether it be at this level or the other, it doesn't really matter. Both have not only the responsibility but the right to go ahead with the proper type of legislation. I'm hopeful, as well as the other members in this House, that this is the last time we'll have to speak on this because it is getting repetitive and also because of the necessity for this type of legislation to protect the young children in our country and perhaps across the world which would follow a lead that were given by this province or the federal government.

To these few remarks I would just add that there are some statistics presently available. The Hospital for Sick Children still has over 100 admissions per month passing through their poison control centre, which are caused mainly by the type of things that are outlined in this bill that should be in proper packaging. There are those statistics available to show the need for the bill and for the packaging that it calls for.

I would also like to point out that there is continual regulation being put forward in some of the western states in regard to this matter, and although we may feel that we may be the first, I believe there is, in the State of Washington, a bill that has been passed providing for some type of control in the same manner.

Mr. Worton: Lock the doors and call the vote.

Mr. Speaker: Does any other hon. member wish to speak to this bill?

Mr. Deans: Why don't you move third reading? We will support you.

Mr. Speaker: This motion is now discharged from the order paper.

Mr. Deans: Why don't you challenge it?

The House recessed at 6 p.m.

ERRATUM

No.	Page	Col.	Line	Should read:
54	2139	1	18	They [meaning rights] must be provided.

CONTENTS

Tuesday, May 11, 1976

Aid to Italian earthquake victims, statement by Mr. Davis	2157
Hospital closings, statement by B. Stephenson	2157
Laurentian Hospital, statement by B. Stephenson	2157
Nursing programmes, statement by Mr. Parrott	2158
Hospital closings, questions of B. Stephenson and Mr. Davis: Mr. Lewis, Mr. Nixon, Mr. Bullbrook	2159
Laurentian Hospital, questions of B. Stephenson: Mr. Lewis, Mr. Singer, Mr. MacDonald, Mr. Martel	2161
Dental care in northern Ontario, questions of B. Stephenson: Mr. Lewis, Mr. Reid, Mr. Stokes, Mr. Foulds	2162
Supplementary funds for education grants, questions of Mr. Wells: Mr. Lewis, Mr. Foulds	2162
Cancellation of scholarship tests, question of Mr. Wells: Mr. S. Smith	2163
Hospital closings, questions of Mr. Davis: Mr. S. Smith, Mr. Lewis, Mr. Singer	2164
Dust problems at Fort Frances paper mill, question of B. Stephenson: Mr. S. Smith	2166
Expenditure on parking lot, questions of Mrs. Scrivener: Mr. Angus	2166
Death of Dominic Goreri, questions of B. Stephenson: Mr. di Santo	2167
Lakeshore psychiatric unit, questions of B. Stephenson: Mr. Stong	2167
Hospital closings, questions of B. Stephenson: Mr. Grossman	2167
Port Arthur clinic dispute, questions of B. Stephenson: Mr. Foulds	2168
Safety of Hydro lines, questions of Mr. W. Newman: Mr. Reed	2168
Encephalitis vaccine, question of B. Stephenson: Mr. Kennedy	2168
Organized crime, questions of Mr. MacBeth: Mr. Breaugh	2168
Tile drainage loans, questions of Mr. W. Newman: Mr. Riddell	2169
Public Transportation and Highway Amendment Act, Mr. Snow, first reading	2169
Family Benefits Amendment Act, Mr. Martel, first reading	2170
Judicial Review Procedure Amendment Act, Mr. McMurtry, first reading	2170
Succession Law Reform Act, Mr. McMurtry, first reading	2170
City of Thunder Bay Amendment Act, reported	2172
Third reading, Bills 78 and 45	2174
Ontario Guaranteed Annual Income Amendment Act, reported	2174
Niagara Escarpment Planning and Development Amendment Act, in committee	2175
Budget debate, continued, Mr. McEwen, Mr. Lane	2182
Motion to adjourn debate, Mr. Deans, agreed to	2188
Private members' hour on second reading, Public Health Amendment Act, Mr. Leluk, Mr. Deans, Mr. B. Newman, Mr. Drea, Mr. Dukszta, Mr. R. S. Smith	2188
Recess	2197

SPEAKERS IN THIS ISSUE

Angus, I. (Fort William NDP)
Breagh, M. (Oshawa NDP)
Bullbrook, J. E. (Sarnia L)
Cassidy, M. (Ottawa Centre NDP)
Davidson, M. (Cambridge NDP)
Davis, Hon. W. G.; Premier (Brampton PC)
Deans, I. (Wentworth NDP)
di Santo, O. (Downsview NDP)
Drea, F. (Scarborough Centre PC)
Duksza, J. (Parkdale NDP)
Edighoffer, H. (Perth L)
Foulds, J. F. (Port Arthur NDP)
Germa, M. C. (Sudbury NDP)
Good, E. R. (Waterloo North L)
Grossman, L. (St. Andrew-St. Patrick PC)
Haggerty, R. (Erie L)
Kennedy, R. D. (Mississauga South PC)
Lane, J. (Algoma-Manitoulin PC)
Leluk, N. G. (York West PC)
Lewis, S.; Leader of the Opposition (Scarborough West NDP)
Lupusella, A. (Dovercourt NDP)
MacBeth, Hon. J. P.; Provincial Secretary for Justice and Solicitor General (Humber PC)
MacDonald, D. C. (York South NDP)
Martel, E. W. (Sudbury East NDP)
McClellan, R. (Bellwoods NDP)
McEwen, J. E. (Frontenac-Addington L)
McMurtry, Hon. R.; Attorney General (Eglinton PC)
Meen, Hon. A. K.; Minister of Revenue (York East PC)
Newman, B. (Windsor-Walkerville L)
Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
Nixon, R. F. (Brant-Oxford-Norfolk) L
Norton, K. (Kingston and the Islands PC)
Parrott, Hon. H. C.; Minister of Colleges and Universities (Oxford PC)
Peterson, D. (London Centre L)
Reed, J. (Halton-Burlington L)
Reid, T. P. (Rainy River L)
Renwick, J. A. (Riverdale NDP)
Riddell, J. (Huron-Middlesex L)
Roy, A. J. (Ottawa East L)
Ruston, R. F. (Essex North L)
Samis, G. (Cornwall NDP)
Scrivener, Hon. M.; Minister of Government Services (St. David PC)
Shore, M. (London North L)
Singer, V. M. (Wilson Heights L)
Smith, R. S. (Nipissing L)
Smith, S. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Spence, J. P. (Kent-Elgin L)
Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
Stokes, J. E. (Lake Nipigon NDP)
Stong, A. (York Centre L)
Swart, M. (Welland-Thorold NDP)
Warner, D. (Scarborough-Ellesmere NDP)
Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)

Wells, Hon. T. L.; Minister of Education (Scarborough North PC)

Wildman, B. (Algoma NDP)

Wiseman, D. J. (Lanark PC)

Worton, H. (Wellington South L)

Yakabuski, P. J. (Renfrew South PC)



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Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159)

LEGISLATURE OF ONTARIO

TUESDAY, MAY 11, 1976

The House resumed at 8 p.m.

Clerk of the House: The second order, resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

BUDGET DEBATE (continued)

Mr. Speaker: The hon. member for Cambridge.

Mr. Davidson: Thank you, Mr. Speaker.

Mr. Roy: You should get better applause from your caucus.

Mr. Davidson: I appreciate the applause of those who are here but it's quite noticeable that the benches of all parties are empty.

Mr. Roy: Especially yours.

Mr. Davidson: Be that as it may, I can recall one evening when you had only one member in the House.

Mr. B. Newman: Be glad we just clapped for you.

Ms. Gigantes: This is quality, Albert.

Mr. Davidson: Mr. Speaker, I suspect I should first of all apologize for not being present earlier this afternoon. Being a newer member of the House, I didn't realize that the orders of the day could change so quickly and I had been advised by one of our people that perhaps I would not be getting on until 8 o'clock this evening. I apologize to the House for that delay and I would ask members to accept that apology in the spirit in which it's given.

In dealing with the budget for 1976 as put forward by the Treasurer of Ontario (Mr. McKeough), one must question where the priorities of the Conservative government lie with regard to the people of this province. In the light of what happened yesterday, perhaps what I am about to say may seem a little redundant. However, in looking at what the acting Minister of Health (B.

Stephenson) has said, in replying to certain questions that have been put forward in this House, I feel that it probably still has merit in saying it.

The closing of viable community hospitals, reduced transfer of payments to municipalities, boards of education and social service agencies, certainly cannot be considered beneficial to the vast majority of people in this the Province of Ontario. No longer can it be considered a place to stand for, in the closing of community hospitals, the government has kicked down the very foundation of many small towns and rural communities perhaps to the point that they shall never rise again.

Nor can we say that it is a place to grow for, in reducing the budgets of social service agencies and attacking those most in need, the government has taken the heart and hope away from many and, without these, the incentive to grow is diminished. For without hope, one no longer tries, and without heart, they slowly die. That is quite an epitaph for the Tories of this province to leave behind them and, yet, they go on undaunted in their quest to demonstrate restraint to those who are not now in need nor, perhaps, ever will be, certainly an uncaring budget for an even more uncaring government.

On the issue of hospital closings and health care cutbacks, one can most certainly sense this attitude on the part of the Conservatives. It apparently matters not to them that health services throughout the province will deteriorate. They cannot close hospitals, they cannot cut back on hospital beds and services and expect anything other than that to happen, contrary to government assurances that such is not the case. Nor do they seem to care that up to 5,000 persons may be put out of work as a result of their action.

Oh, yes, they claim they will provide assistance for those people so displaced but I'm quite certain that the member for St. Andrew-St. Patrick (Mr. Grossman), a Conservative, would be the first to say that such is not the case, at least for those employed by the Doctors Hospital. I'm sure, also, that the same applies to all those persons no longer employed as a result of the govern-

ment's action. They are not now assisting nor are they intending to assist in providing job placement opportunities.

And what of the residents in the areas where these hospitals are closed, or have been forced to cut back? Is there no concern on the part of the government that as a result of their action doctors may leave the various communities, thereby depriving the population of any form of medical service? Does it not matter that the added travelling distance to the nearest hospital could be a matter of life and death?

I say to you now, Mr. Speaker, that if only one person dies as a result of this government's action it is one life too many to give for the few dollars they will save. And let us not say it will not happen. It may be a small child. It could very well be an aging senior citizen. It might be the result of a farm or industrial accident, but it will happen and, when it does, the death will be on the conscience of each and every one of them on that side of the House for it will be them, and them alone, who are responsible. They could have stopped it from happening.

We then get into the areas of municipalities and boards of education. The reduction of transfer payments to municipalities and boards of education are again an area of concern to those of us in the New Democratic Party. I do not feel it necessary to go into detail, for this has been more than adequately carried out by the member for Welland-Thorold (Mr. Swart) and the member for Beaches-Woodbine (Ms. Bryden).

I would like to say, however, that the Treasurer is fooling no one with this move. We are all well aware that he's simply shifting the burden from the provincial government to the municipal politician. There is, in fact, no saving to the taxpayer, so what he does not pay at the provincial level he or she now pays at the municipal level, and while the Treasurer is able to show reduced deficits for Ontario, the taxpayer simply pays the same or more out of the other pocket or the other purse. It is estimated that municipal taxes will increase by approximately 15 per cent this year. In addition to this, certain services to which the taxpayer has been accustomed will no doubt be cut back or curtailed. Again, a fallacy on the part of the Conservative government.

In the field of education the results could very well be higher pupil-teacher ratios, a reduced number of specialized teachers and reduction of specialized teaching facilities. The most important asset we have in society

today is the children in this province, yet this government chooses to use them in their game plan to show restraint. They play with their lives as one would play a game of chess. Let me make one thing perfectly clear, Mr. Speaker. You do not, under any circumstances, use the children of this province as a pawn in any game without expecting severe repercussions. The actions of this government in the field of education and the consequential results will, to the relief of many, be one more nail in their coffin put there by their own hand.

We now go into the field of OHIP premiums, perhaps the most regressive tax which appears in the budget. The increase in OHIP premiums from \$11 to \$16 per month for a single person, and from \$16 to \$32 a month for family rates—here again we have a financial attack on those people least able to afford it and in an area most needed and required by them. I for one question the figure of 88 per cent paid by employers in this province. But even if what the government is saying is true, it does not, in any way, relate to the full story.

Anyone who has any knowledge of collective bargaining is well aware that if an employer pays all or any part of the OHIP premiums for his employees, he does so with reluctance and after being assured that the employees will settle for a wage package lower than expected. In other words, an employer settles on a figure he is prepared to give. It can all go into wages or it can be broken down into wages and fringe benefits. If the employees feel they need the fringe benefits, the wage portion of that figure is reduced accordingly.

Let it be recorded, Mr. Speaker, that no employer gives OHIP premiums or any other fringe benefits to his employees. I can assure you that after some 20 years in the labour movement I have yet to see an employer suffer from enlargement of the heart when it comes to paying his workers. So the increase in OHIP premiums will be treated accordingly. If the additional cost is picked up by the employer it will result in lower wages to the employee. If you do not feel this to be true, Mr. Speaker, I would suggest that you simply make inquiries of those persons now involved in contract negotiations.

In addition to this, the one thing the Treasurer failed to mention is that OHIP premiums paid by the employer are considered income to the employee and therefore become tax payable, while the employer is allowed to deduct the premiums as a cost to the company. It becomes apparent then that

the Treasurer has once more looked after the interests of his corporate friends; once again the actions of this government have been directed against the working people of this province, and once again they will suffer the consequences.

I would like now to go into a few local issues before I sit down, because I had promised I wouldn't speak too long on this. As for the riding of Cambridge, their lack of faith in the Conservative Party of Ontario became apparent in January, 1973. It was at this time that the Conservative Party, then as now the government, took a double-fisted punch at their constituents and thought they had won a victory. The passing of time, however, has proven them to be wrong.

What happened in 1973 that so turned a riding which they had held for 24 years against them? What happened in a riding where the Speaker of the House had been so prominent for 12 years that turned that riding against them? The answer is simple.

[8:15]

Hon. Mr. Snow: A very temporary arrangement. Even Thunder Bay.

Interjection.

Mr. Davidson: As of Jan. 1, 1973, the communities of Galt, Preston and Hespeler were amalgamated into the city of Cambridge. That was the first mistake. At the same time, the area was put under regional government, and that was the second mistake. In carrying out this programme, the government had neither asked nor had it considered asking the constituents of the area their feelings on the matter. We were simply told that we had the option to choose between the names of Cambridge and Blair as our city name and that we were to become a part of the region of Waterloo. There was no input from the people; no referendum of choice; no option to decide other than what the government had dictated.

Then as now the vast majority of the people were happy with the way things were. They did not want to be amalgamated nor did they want to become a part of the region, which included the Kitchener-Waterloo area. Their reasons were genuine, without question. Amalgamation would have resulted in the loss of local identity and regionalization would have resulted in the loss of autonomy. Three years later we find they were right in their thinking.

A recent survey carried out by me and based on the returns from 2,000 constituents points out the following: That 80 per cent of

the population in the riding of Cambridge are dissatisfied with regional government while only 13 per cent are satisfied. The remaining seven per cent either were new to the area or did not answer the questions.

More than 67 per cent of those who responded were in favour of an immediate review of regional government in our area; 14 per cent thought a review was not necessary. Of the remaining 19 per cent the majority felt a review would only cost them more money and the government, as usual, would do nothing to change things. So much for the faith in the government.

The reasons for their feelings are many and varied. They cite a deterioration of local services, increased taxes and lack of local autonomy as the three main reasons for their dissatisfaction. Picture, if members will, a person who now finds it necessary to travel all the way to Kitchener-Waterloo in order to fill out forms or receive a service they used to receive at the local level. Or a welfare recipient who was told to report to the regional welfare office and must find transportation to the Kitchener-Waterloo area. In many cases, it's a rather difficult task as they don't own a car nor do they have the money for public transportation.

Imagine a local person who was told that in order to collect assistance it would be necessary for her to report to the regional office each morning and if they could not find work for her she would then collect the assistance she required. This woman, the mother of small children, was required to travel more than 25 miles a day in order to sustain her family. All of this because there was no local office she could report to.

The other services, police, fire, and ambulance, have also deteriorated during this period. Only recently, we handled a case in which a woman had a heart attack. The family doctor ordered her to a Kitchener hospital—St. Mary's by name—and halfway to Kitchener the ambulance was met by one coming from the Kitchener area. In the middle of a highway, in a blinding snow storm, they transferred this woman from one ambulance to the other. In checking it out we found, of course, that this was not supposed to be normal procedure but it does point out the confusion which reigns in the minds of the people, even those who are trained to know better.

There are other problems which have developed as the result of amalgamation and regionalization. Citizens who once lived in the township and are now a part of the city pay taxes to the city yet they do not have the

benefits of sidewalks, paved roads, etc. In addition to this, though they now live in the city, they are being charged a rural hydro rate and many are put in the position of having to pay their bills at the Guelph or Paris offices. This after three years of being put into a supposedly workable programme. I can only say that in the minds of the majority of people living in the riding of Cambridge it is not working and they want a review of their situation right now—not two, not three, not four years from now, but right now.

There are other situations which are taking place which make a person wonder—and I mean really wonder—as to whether or not this Conservative Party of Ontario is harbouring a secret death wish of some sort.

Mr. Foulds: Yes, sir. Just look at them; corpses, all of them.

Mr. Laughren: The people have been appointed coroners.

Mr. Davidson: We have the situation where the Minister of Natural Resources, a man well renowned, I suspect, throughout the province for making decisions in opposition to the majority of other people's decisions—issued a licence to a gravel company to allow it to extract gravel, in opposition to an OMB recommendation, against the wishes of the city council, and in defiance of the citizens of the area.

Mr. Deans: He is a law unto himself.

Hon. Mr. Bernier: That is not totally correct.

Mr. Deans: It's typical of this government.

Hon. Mr. Bernier: Distorting of the facts and half truths.

Mr. Davidson: We then go into the situation where the Minister of Correctional Services (Mr. J. R. Smith) announces the closing of the Grandview School for girls—

Mr. Laughren: The Minister of Natural Resources is an expert on distortion.

Hon. Mr. Bernier: Sensationalism and inuendo; that is all you are offering.

Mr. Davidson: —and the transformation of this facility, or at least part of it, into an adult male jail.

Interjections.

Mr. Davidson: Now there are many questions that one could ask. For example, having

made this decision and having considered all of the angles, one should first of all question—

Interjections.

Mr. Speaker: Will the members of the New Democratic Party and the Minister of Natural Resources stop heckling the member for Cambridge?

Hon. Mr. Bernier: Be responsible for a change.

Mr. Laughren: The minister is being provocative by his presence.

Mr. Davidson: Thank you, Mr. Speaker.

In announcing the closing of Grandview School and the transformation of part of this facility into an adult jail, one would have thought that the ministry would have had some consultation with people within the riding.

Mr. Laughren: It never has.

Mr. Davidson: Let's take a look. Is there any discussion with the local council prior to the making of the decision?

Mr. Deans: No.

Mr. Davidson: The answer is no, there was no discussion with the local council. Did the ministry conduct any impact studies on the reaction of local citizens within the area? The answer is no. Does it matter to this government that this property is directly adjacent to the William Anderson School for Retarded Children?

Mr. Deans: Not a bit.

Mr. Davidson: The Carol Currier Residences for retarded adults, of which there are two, and a building which houses the Children's Aid Society are also nearby. Again, the answer to all of those questions apparently is no, they apparently do not care.

In addition to this, the Minister of Colleges and Universities (Mr. Parrott) comes into town and announces the closing of the Doon branch of the Conestoga College School of Nursing. As a result, 38 first-year students will now have to go to Kitchener, Stratford or Guelph in order to complete their training.

Mr. Deans: And there won't even be jobs for them when they graduate.

Mr. Davidson: Surely the ministry could have phased out the programme over a period of two years and allowed these students the opportunity of completing their education at the school and the hospital in which they

first started? It would have made more sense and it surely would not have created the hostility which now exists in our area.

Mr. Wildman: He should supply them with free tickets to California as well.

Mr. Davidson: So here we have a Conservative government which continues to budget against the working people of this province while allowing its corporate friends the benefit of exemptions and loopholes, a government which continues to show an arrogant attitude when it comes to dealing with the people of this province—

Mr. Deans: And supports organized crime.

Mr. Davidson: —a government which by its actions and manners apparently feels that it was elected to rule rather than govern this our Province of Ontario. I suggest the day is not too far off when they will regret every move that they have made.

Hon. Mr. Bernier: He is just an overnight guest.

Mr. Speaker: The hon. member for Kent-Elgin.

Hon. Mr. Bernier: Now we are going to hear some common sense.

Mr. Spence: Mr. Acting Speaker, the hon. member for Lake Nipigon (Mr. Stokes), I wish to congratulate you on being elected as chairman of the committee of the whole House.

Mr. Deans: Just wait until he picks on you.

Mr. Spence: Listening to you and watching you carry out your duties as chairman, you have proved to me to be fair and impartial in your decisions.

Mr. Foulds: He should pick on the Liberals as much as he does on the NDP.

Mr. Spence: I must say you have no small task. I know it's a difficult assignment. I wish you well in completing your term of office. I haven't got a large crowd this evening.

Hon. J. R. Smith: He is an optimist. That's positive thinking.

Mr. Spence: But I never was known to draw any large crowds in my whole life, so I'm not disappointed. I'm so pleased to see so many present. However, I have a few matters to discuss that have come to mind from time to time. I would like to bring to

you and the hon. members some of the things that have come across my mind about the government and actions that have taken place in this assembly.

There has been a great deal of discussion about the government's restraint programme. It's almost amusing to listen to the self-righteous Treasurer (Mr. McKeough) and his colleagues when one remembers that for a very long time now the members of the opposition have consistently warned the government about the danger of inflation and the necessity for financial responsibility. As you know, Mr. Speaker, our warnings were ignored by the government and the spending spree continued.

As far back as the year 1969, the former Treasurer of the Province of Ontario, Charles MacNaughton, admitted that we faced a fiscal nightmare in expenditures in the future. But even his words had no visible effect on the government's financial policies which seemed to be founded on the idea that the only way to solve this problem was to spend more of the taxpayers' money.

In 1975 the Treasurer brought down a budget which loosened the provincial purse strings even more than usual. His explanation for this was that we were facing an economic slowdown and the government tax measures, such as a temporary reduction of the retail sales tax, the first-time homeowner grants and the automobile sales tax rebate would stimulate the economy. The Treasurer has claimed that these tax measures achieved his objective of stimulating the economy. Although this seems to be a debatable point, for my part I'm not a financial expert and I don't propose to attempt to argue this point with him.

However, I do now because the Treasurer has told us in the budget statement that these measures led to a loss of provincial revenue of approximately \$500 million. I know again, because the Treasurer tells us so, that the increase in OHIP premiums is going to raise approximately \$228 million extra in revenue this year. In other words, if the government hadn't introduced the so-called stimulations to the economy last year, which we all know were nothing more or less than pre-election goodies—the OHIP premiums were nothing more than a pre-election gimmick—

[8:30]

Mr. Eakins: They paid for it with their health.

Mr. Spence: —perhaps, even for the next year or so, because the cost of \$228 million extra revenue from OHIP premiums

is about 50 per cent of the revenue loss of the sales tax reduction, the homeowners' grants and the automobile tax rebate.

Just last week there was an article in the *Globe and Mail* about a certain Mr. Chasteau who earned \$150 a week and now has to pay \$384 annually in OHIP premiums for himself and his family. There must be many other taxpayers in the same position and I can't help but wonder how they feel, knowing that one of the reasons they are faced with this increase in premium payments is because they are, whether they want to or not, helping to subsidize someone who bought a new car last year to cash in on the tax rebate. I wonder whether, as Mr. Chasteau tries to balance his budget to pay his increase in OHIP premiums, he will say to himself: "I mustn't complain about this because I have helped someone buy a house."

On the other hand, I can well recall newspaper stories last year in connection with the first time homeowner grants. Some people didn't actually need the grant to help with the downpayment, because they had enough money. But they took the grant anyway and sometimes used the money to buy drapes and broadloom for the house. At least one couple admitted they used the grant money to take a holiday in Florida. I wonder how, Mr. Speaker, Mr. Chasteau and the people like him will like the idea of having to pay for someone's new drapes, new broadloom or a holiday in Florida—something that they themselves, probably, will never be able to afford.

It's always very interesting to compare this government's actions before and after provincial elections. During the 1971 election campaign, the government promised that there would be no increase in taxes if the Conservatives were re-elected to power. Just a few months after their election victory the Treasury increased taxes on automobile licences, marriage licences, birth certificates, tobacco, liquor and many other items. They also increased entrance fees to provincial parks and also to Ontario Place, quite substantially.

Prior to the last election, the government brought forward with the budget election goodies to which I always referred after the election. We heard of the restraint programme, the increase in transfer payments to the municipalities. Now we have greatly increased OHIP premiums and the increase in semi-private and private hospital coverage payments, among other things.

On the subject of the OHIP scheme, it's interesting to note that with the Treasurer's enriched premium assistance provisions, almost one in four in Ontario will receive full or partial premium assistance—not taking into account those people who will receive premium assistance because they are on the provincial and municipal welfare assistance. There are some 509,000 individuals, or families, who qualify for assistance because their annual income is less than \$2,000 a year and with a further 98,000 below the \$3,000 limit.

It doesn't say much for the government's record of handling the affairs of Ontario that so many people in a wealthy province such as Ontario have annual incomes at this level.

I did mention a minute ago, Mr. Speaker, the transfer of payments to municipalities. When the Treasurer read us his budget, on April 6, it was hard for me to grasp what that meant but, after a week or two, I had looked into it and I could see that the Province of Ontario is transferring its debts from the Province of Ontario to the municipalities in the Province of Ontario, increasing the taxes to the homeowner, the renter and the land owner.

I must say in my own riding we have many weekly papers and it was amusing to read some of those articles in these weekly papers on the weekend. One weekly paper says:

If you think property taxes are high, wait until you get this year's tax bill. So far only interim tax bills have been issued by the village and the township which call on everyone to pay a part of their year's taxes based on last year's figures. Now that the board of education has struck its budget, which will increase mill rates considerably, everyone is in for a rude awakening when they receive their next tax bill, one-quarter mill rate higher for education.

Also the county rate has increased and so have municipal rates, to cover inflation mainly. The increase in the board of education rate is caused mainly by a one-third increase in teachers' salaries and by the government reducing its subsidies, and inflation. The increase in the county rates results mainly from inflation and some lower government grants.

This year is predicted to be a poor year on the farm. Farm taxes, high despite the provincial government paying half of the 15 or 20 per cent mill rate increase, are not something anyone will relish when they receive the second tax bill. This really is of concern to municipal councils and township

councils in, I would say, every part of the Province of Ontario.

It's always very interesting to compare this government's actions before and after elections

An hon. member: Especially afterwards.

Mr. Spence: Especially afterwards. Now we have one of the most expensive medicare systems in the country. Surely the time has come when the provincial health care system should be thoroughly investigated or reviewed.

Hospitals are being closed down. Now this is a real concern to rural Ontario. It is a shock to those counties and those municipalities where hospitals are slated to be closed down. I might say this is poor planning on the part of this government. I might say that people in those vicinities where the hospitals are, have put forth effort in fund-raising programmes and walkathons in order to raise money. It really is a disaster to those communities.

I might say OHIP premiums are greatly increased yet still we hear of abuses of the system by private laboratories; of doctors, about 800 of them, receiving \$100,000 annually; of oral surgeons earning more than \$80,000 a year through OHIP. In recent years a number of groups have recommended various methods of improving the effectiveness of our medical coverage and medical care in the province but the government has made no attempt really to investigate these recommendations; nor has there been any evidence of any improvement in the administrative efficiency of the system or the Ministry of Health itself.

Apart from the reduction in health care services involved in closing down community hospitals, there is another problem which has to be taken into account and that is the fact that in many instances a community hospital is frequently a very important source of employment.

I was visiting a hospital during the period when the Minister of Health (Mr. F. S. Miller) was travelling around the province closing hospitals.

Mr. Eakins: Without notice.

Mr. Spence: Many employees approached me at the hospital I visited one morning. They feared they would lose their jobs because of the cutbacks. Nurses aides, domestic helpers and others—some of them women in their late 40s and early 50s—were really worried that if the hospitals were to be closed

they would be unable to obtain jobs because of the lack of opportunity and the disadvantages of age.

I might say that I think for many years our local communities will talk about the hospital closings in much the same way as they talk about disasters such as floods and fires. To a small community, the closing of a local hospital is a real calamity.

In last year's Throne Speech the government indicated action would be taken to ensure that the farmers, at least, would be able to recover their production costs. We were told that measures would be introduced to provide farmers with reasonable assurances of the continuing operation of their vital enterprises.

This assurance by the government was clearly of very little value because in the last year's budget only \$20 million was allocated for income protection for the Ontario farmers. This amount was not even sufficient to cover the losses of the cow-calf producers and the Minister of Agriculture and Food came back in March asking for supplementary funds of \$4 million to cover this cow-calf programme.

Again this year, the Throne Speech made special reference to the problems of the Ontario farmer. We were told that provincial legislation would be introduced to establish a voluntary farm income stabilization plan.

Mr. Wildman: To cost \$25 million.

Mr. Spence: However, there was no provision for this income stabilization plan in the budget presented by the Treasurer on April 6. Although it has been estimated that such a plan would cost something in the region of \$100 million, last week in the Legislature the Minister of Agriculture and Food indicated that estimates would include an item of \$25.6 million for a farm income stabilization plan. However, he subsequently admitted that last year the total payout for the cow-calf programme was in the region of \$22 million.

Obviously, this is yet another example of the government's strange bookkeeping. From the comments of the Minister of Agriculture and Food, at that time it would appear that once again, if and when supplementary estimates are required to cover the income stabilization programme—

Mr. Haggerty: He promised that for two years.

Mr. Spence: —and the cow-calf programme, this government will make the usual excuse that Ottawa's commitment was not fulfilled

or trot out some other excuses about circumstances beyond its control or market fluctuations—

Mr. Wildman: Sabotage your own cow-calf programme.

Mr. Spence: —or an unexpected enthusiastic response from the farm community to the government's initiatives.

Mr. Haggerty: More like the fullness of time, Jack.

Mr. Spence: That's right. Once in a while it would be nice if the government could acknowledge the fact that if credit is to be accepted when things go well, blame must be accepted when plans go astray. However, I suppose that is too much to expect.

[8:45]

For Ontario as a whole, the 1975 crop receipts were estimated to be higher than 1974 totals by approximately two per cent while livestock receipts were some nine per cent higher. However, although Ontario's farmers received 9.5 per cent more for their products in 1975, their operating costs increased by more than 11 per cent and depreciation charges increased by more than 12 per cent, with the end result that a 2.7 per cent decrease in net profits was experienced compared with the year of 1974.

The Ministry of Agriculture and Food estimates that the average net income on Ontario census farms for 1975 was \$9,200. Hopefully, prices in 1976 will remain at a high level, but operating costs are estimated to increase steadily, as has been the case in the past, with the anticipated result that realized net incomes for the farmers are expected to fall by approximately 9.6 per cent in the year of 1976.

Like other sectors of the economy, our agriculture industry is seriously affected by the prevailing inflationary conditions. It is very difficult at this stage to estimate what effect the federal government's anti-inflation guidelines will have.

If the people of Ontario are to continue to have available an abundant supply of food at prices that are comparatively reasonable, farmers must have a fair chance to make an adequate income from the production of food, so that they will not be forced to leave their farms for opportunities to make better incomes in another industry or another business.

In the past, farmers have been severely affected by increased energy costs, inflation

and rapidly rising production costs. These conditions, combined with the fact that consumers generally are very concerned about the rising retail prices of food, have given rise to the serious discussion of some form of farm income protection programme. It is no longer sufficient that the Ontario farmers continue to produce food as efficiently as possible and that their products be marketed effectively and efficiently. The farmers must have some assistance.

Mr. Wildman: What about seatbelts?

Mr. Spence: I will get to that a little later. I'm coming to it.

Hon. J. R. Smith: They're a good idea; they're saving lives.

Mr. Speaker: Order, please.

Mr. Spence: Some attempt must be made to share their production risks, because of the immense difficulties they experience in attempting to reconcile the pressures from the general public to keep retail prices under control and the greatly increased cost of production.

There is a great deal to be said for a type of insurance programme where premiums would be paid by producers, and by the government on behalf of society, into a fund which would be used to repay the farmers when their returns from the marketplace are less than those agreed upon as being a reasonable cost of production.

It is inexcusable that this government should continue to make announcements in successive Throne Speeches that the farmers of this province are to be protected in some way against inflationary costs and fluctuating market conditions, when the government apparently has no intention whatsoever of following through on these new so-called commitments. The Ontario farmer is not interested in promises and empty words. He wants action.

About 100 years ago, some 75 per cent of the Canadian people lived in rural Ontario. Today, something like 80 per cent of Canadians live in the cities. The annual rate of urbanization is greater than in any other industrial country in the world. In spite of the Minister of Agriculture and Food's recent comments, farms continue to go out of production. Moreover, our young people continue to go to the cities to find work.

This trend is a two-edged sword. Small towns and communities have difficulty in paying for municipal improvements because the tax base is reduced. At the same time our

big cities are finding that the tremendous numbers of people moving in from the rural area, as well as from other countries, are putting too much pressure on facilities such as housing, schools, hospitals and roads. Somehow we have to find a way to reverse the trend or at least to reduce the rate at which it continues.

The Liberal Party of Ontario has been calling for co-ordinated provincial development programmes since 1967. The government undertook in the 1973 Speech from the Throne to preserve our physical resources as an urgent requirement, promising land-use control. This promise is almost non-existent. Land freezes are imposed, property is assembled for industrial parks, new townships have been designated, highway corridors eat up valuable farm land and residential or industrial development is permitted on prime farm acreage.

Obviously any effective land-use planning has to be co-ordinated by the government, including the municipal governments. Population studies have to be made and the right of the individual taxpayers must be protected. On more than one occasion, some form of government land-servicing programme has been suggested as a means of opening up or improving specific areas for residential or industrial development while at the same time providing some protection for our farm lands.

If provincial land-servicing programmes were established, the government could in consultation with the municipalities delineate specific areas where it is agreed that residential, commercial or industrial development is desirable and necessary. The availability of comparatively inexpensive serviced land in underdeveloped areas would encourage location of secondary industries with the attendant residential development in the vicinity of new employment from its sources.

As I said before, I'm by no means a financial expert. However, I know enough to have been completely unimpressed by the Treasurer's statement on budget night that the Government of Ontario will not require any public borrowing in 1976 or 1977. This might have been considered a major financial achievement if we hadn't all been well aware that this was only made possible because of the availability of in-house pension funds, of the Canada Pension Plan, teachers' superannuation and municipal employees' retirement funds.

I understand the Treasurer was taken to task on this subject at a meeting of the

Toronto Association of Business Economists just a few days after the presentation of the budget. Where would all Canadian provinces and municipalities be today if they had not been able to borrow from the Canada Pension Plan? Certainly the provincial government of Ontario has not been slow in taking advantage of these funds. I think it's very interesting to note that of \$9.42 billion lent to the provinces from the fund in recent years, Ontario, one of the wealthiest provinces, has borrowed approximately \$5.2 billion.

The Treasurer also went on to say that the government pension funds should not be required to be actuarially sound, an unusual statement. This may be true because as long as there is a government there will always be a taxing power to obtain the funds necessary to pay the pensions. However, I am seriously concerned to hear that the Treasurer takes this attitude, because my village will have to be paid for by taxing future generations and due to inflation and indexing of benefits, the liabilities are increasing. In fact, the amount of liabilities of all pension funds guaranteed by the Province of Ontario, including those of Crown corporations such as Ontario Hydro, will, if the government persists in the present policy, represent a colossal drain on the future taxpayers of this province.

It is understandable that, for political purposes, a government should concern itself primarily with the needs and wishes of the present-day taxpayer, but I question the government's right to mortgage the future. Perhaps we should give some thought to what this government and its predecessors in recent years have done for our young people.

They have given our young people a per capita debt of \$708, according to the most up-to-date figures. They have given our young people the privilege of paying in the future, because of pension fund borrowing and so forth, for the benefits which we enjoy today.

They have given our young people an expensive education system which many people consider is inadequate and does not provide the basic skills which are necessary if they are to compete in the job market with any degree of success. They have given our young people no encouragement to enter the agriculture industry and to have almost forced them to move into the large urban areas in search of employment.

They have given our young people the opportunity to go to community colleges and universities but they have given no guidance as to the courses which should be pursued to

have that maximum possible choice of employment opportunity. They have given our young people cutbacks in social services which might have helped them to cope with the difficulties of modern day living. They have given our young people an increase in OHIP premiums which will clearly not be reduced in the future.

They have given our young people in recent years the expectation and the hope that their future would be successful and secure. Now, like Indian givers, they are in the process of taking back that expectation and that hope.

Mr. Jones: It is indeed a privilege to participate in this debate today and I wish to express my full support for the approach to the economic priorities of our government as set forth in the 1976 Ontario budget.

I represent a constituency that forms part of what is considered to be one of the most important areas and sectors in the whole of the golden horseshoe area, and the region that makes up Canada's industrial heartland. The constituents in my riding are concerned about the economic realities of our times and they are concerned about their futures. They are concerned about their futures in business, they are concerned about their farms, they are concerned about the future of their jobs.

They want to be assured that the standard of living, the quality of life that they have become accustomed to will continue and improve in the years to come. They want the security of knowing that they will be able to continue to grow in an economic climate and an atmosphere that is conducive to the development of individual initiative and individual freedom. And they want to work in an atmosphere where monetary reward, adequate profit and entrepreneurship are not dirty words but rather the fundamental right of any free person.

The people of my riding have expressed real concern over the recent pronouncements of the Prime Minister of this country. They are worried about the uncertainties of this new society he is proposing, a new society where regulations and controls seem to be the order of the day and where government continues to grow bigger and spend more. Now is not the time for government to expand and have blossoming bureaucracy. Now is the time for quiet, responsible leadership.

[9:00]

Mr. McClellan: When are we going to get it?

Mr. Jones: We are. Now is the time when we must assess where we have come from, where we are going and how we will get there.

Mr. Laughren: We will help you get there.

Mr. Jones: That's what the Treasurer was talking about in his budget statement. All of us in this province have benefited from the well-being of the private sector. To turn around now and change the very foundations of our society is to place in serious jeopardy the advantages of all that we have achieved and worked for and now enjoy.

I strongly believe that the government's role in our society is to create a sense of stability in our system; a stability that fosters free enterprise.

Mr. Bain: What a myth!

Ms. Gigantes: Nothing stable about it except it stinks.

Mr. Jones: We must help, rather than interfere, and not be an alternative to private business. We must encourage and assist, not regulate and control. And we must reject the idea that further government ownership is either necessary or desirable.

Mr. Wildman: Private profit at the public expense.

Mr. Laughren: Socialism for the rich, free enterprise for the poor.

Mr. Jones: Just listen and I will tell you why. I was very interested recently to receive a copy of a letter from the chap who was the candidate for the NDP in my riding during the last election. It was a letter that was sent to the independent businessmen in my riding.

Mr. Bain: Did you support him financially?

Mr. Jones: What did he say? "If independent business people want help, an NDP government would be ready, willing and anxious. We aren't going to be pushy."

Mr. Bain: You have never helped the small businessman.

Mr. Laughren: You are driving them to the wall.

Mr. Speaker: Order, please. I think one person speaking is enough, and it is the hon. member for Mississauga North.

Mr. Jones: Mr. Speaker, I couldn't help but think of Saskatchewan.

Interjections.

Mr. Speaker: Order.

Mr. Jones: Maybe we should take a little wander through the west, where we have seen some NDP governments and what they have done with business. In thinking of Saskatchewan, there is \$1-billion potash industry—

Mr. Wildman: That's small business?

Mr. Jones: —made up of a composite of businesses, together a large earner of export dollars built through years—20 years, in fact—of hard work and enterprise. When the potash industry was suffering in a world-wide depression, the NDP government of Saskatchewan was unwilling to accept the risk of nationalization.

However, after the industry's world position improved, the NDP avarice came to the fore. They demanded so much additional tax revenue that the industry was forced to go to the courts for protection.

Mr. Wildman: The hospitals here went to the courts for protection.

Mr. Jones: But before the courts could render a decision, the NDP blatantly announced the takeover of the industry through nationalization.

[Applause.]

Mr. Jones: Before the hon. members opposite thump their desks any more, let's see what the results were for a moment.

Ms. Gigantes: Why don't you go to Saskatchewan and run Tory?

Hon. Mr. Taylor: Your true colours are coming out now!

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Taylor: Nationalize everything; that is their policy.

Mr. Jones: Private industry's confidence was replaced with the greed of the NDP government. Not going to be pushy? Hardly.

Let's talk about auto insurance. That's a favourite subject over there. Our friends in the opposition party have promised that if elected, they will introduce compulsory auto insurance.

Mr. Haggerty: Right on.

Mr. Laughren: A free-enterprise ripoff.

Mr. Jones: In fact, on June 15, in Woodstock, the hon. Leader of the Opposition (Mr. Lewis) said "An NDP government will not allow private insurance companies to issue auto insurance. There is no justice in auto insurance. Automobile insurance agencies are one of the biggest ripoffs." Yes, he said it; that was his word.

Ripoffs indeed! What about the motorist in British Columbia who was ripped off by paying an extra \$1 or \$2 an hour or more out of his own pocket to get his car fixed?

Mr. Laughren: What about the motorists in Saskatchewan and Manitoba?

Mr. Speaker: Order please. If the hon. member wishes to remain in the House, he will remain silent. Thank you.

Mr. Jones: Because body repair shops claim that the BC government rates were not enough.

Mr. Wildman: Quit talking—

Mr. Jones: And what about the motorist who was ripped off for another 10 cents per gallon gasoline tax to pump money into the Autoplan, when in fact, because of its natural gas revenues, BC could actually have cut the gasoline prices by 10 cents a gallon?

And what about the taxpayer who was ripped off because the British Columbia Autoplan lost \$34 million in its first year? And what about the driver in British Columbia who had to pay \$10 for a driver's licence? A province-wide strike by Autoplan employees created a hardship for thousands of motorists. Since Autoplan was a monopoly service, a single strike could wipe out insurance service throughout the province.

That's what happened. Motorists were compelled to have their cars repaired at their own expense for the duration of the strike. Indeed, it was a kind of a programme which must be expected from a monopoly government business. It costs as much for a government to repair cars as it costs for anyone else.

Hon. Mr. Taylor: More.

Mr. Jones: Low insurance rates mean only that the taxpayer is footing the bill in some other way and the personal service that people need and expect is replaced by an administrative nightmare. I think we must concede, as the voters of BC conceded—

Mr. B. Newman: That's the truth.

Mr. Jones: —that the Autoplan was scarcely one of the Barrett NDP government's finest moments.

Moving on to Manitoba, a Winnipeg Tribune survey of its readers indicated that 70 per cent were hostile to the NDP government's Autopac plan. And with good reason. In 1975, the Autopac conceded that it lost \$25 million in its first two years.

Despite the NDP promise not to raise the rates until 1975, rates increased by as much as 75 per cent for the mandatory basic \$50,000 bodily injury, property liability and \$200 deductible collision. As in British Columbia, the motorist is forced to pay a two cents per gallon gasoline tax to subsidize the scheme. And one last dismal note before we leave Manitoba, Mr. Speaker. The insurance bill for the 1974 model car of Manitoba Premier Schreyer increased by 35 per cent in 1975.

If government auto insurance is so great, why don't British Columbia, Manitoba or Saskatchewan let private insurance companies sell in competition? The claim of the hon. Leader of the Opposition that automobile insurance agencies are one of the best ripoffs is simply false. In Ontario, insurance rate increases are just keeping pace with the cost of living.

Our province has initiated a seven-point programme to improve insurance coverage. The government has prompted a fair claims settlement new approach, better communication by companies with claimants who want to discuss their claims, prompt acceptance by companies of reasonable claims and a ban on trying to force claimants to sue by offering low settlements. Our efforts are directed towards these objectives rather than to taking over the day-to-day operation of the automobile insurance industry.

But the auto insurance industry is just one area in which British Columbia's NDP government saw fit to intervene. What about the BC railway, which was losing about \$87,000 a day under NDP control?

Mr. Bain: What about the ONR?

Mr. Speaker: Order, please.

Mr. Jones: Lest we forget, what about the BC ferries, under the mantle of the government, which dropped about \$58,000 a day?

Mr. Bain: The BC government or the Ontario government?

Mr. Jones: The BC government—NDP government.

Figures were foremost in the minds of the voters, in British Columbia, incidentally, on Dec. 11 of last year.

Many here may recall that about a decade ago the Province of British Columbia experienced a truly memorable upsurge in mineral discoveries. One substantial ore body after another was uncovered and the unlucky ones came into production before the Barrett government came along. The creativity and the determination of the NDP taxman would have impressed even the Sheriff of Nottingham. Most people have, in their naivety, always assumed that taxes had to be related in some way to profit. The genius of the Barrett approach—similar to the genius of the Blakeney approach—was to disregard the existence of profit.

Mr. Bain: What does this have to do with the Treasurer and his budget?

Mr. Jones: No longer would those companies which were losing money escape their tax obligations. How's that for confiscation? It gives the word a whole new meaning.

Mr. Bain: Are you running on Barrett's record?

Mr. Speaker: Order please.

Mr. Jones: The result of the British Columbia resource tax policy is perfectly understandable to anybody except a socialist.

Exploration activity ceased altogether in a big part of that province. Five of 30 producing mines shut down entirely. Others introduced layoffs of up to 60 per cent of their working force. There was disastrous unemployment, rapidly declining production and, wonders of wonders, reduced tax revenues proving, among other things, that one can't get blood from a stone.

They created a stone and then couldn't understand why they couldn't get any blood from it. The sad thing is that even when the people, in their collective agony, turf these perpetrators of such nonsense out of office, it doesn't solve things all that quickly. Business, once badly burned, isn't likely to assume readily that this fiscal wrecking crew is truly dead and buried. It's what people these days call a crisis in confidence.

Mr. Bain: Tell us about United Asbestos.

Mr. Jones: Another interesting comment made in this letter that I received from the former NDP candidate in my area is this: Independent business matters to the NDP.

These rumblings from the left are, to say the least, disquieting. The NDP of all people

are holding themselves out as friends of small and medium business; not only friends but the only friends. Talk about the capacity of—

Mr. Laughren: Always have been.

Mr. Jones: —leopards to change their spots. I think an examination of the facts and the background would reveal that instead of a leopard we're probably getting a pink panther.

At any rate, the NDP should have no objection to those sceptics among us taking a look at what their counterparts in some of the western provinces have managed to accomplish on behalf of small businessmen. It turns out that a lot of people have struck it rich in NDP provinces as their advertising suggests. Most of them, however, are members of a blossoming civil service or ever-increasing numbers of welfare recipients thrown out of work by the application of socialist economic policies.

Mr. Wildman: Yes, they get rich on welfare.

Mr. Jones: Unfortunately, though—it wasn't in the writings to my businessmen constituents or they didn't mention it — not too many were businessmen. Their crosses are strewn over three provinces. I'm reminded of a large billboard which used to stand beside a highway that leads from Vancouver to Calgary.

Mr. McClellan: You should run in Vancouver.

Mr. Jones: It said it all very simply "Will the last businessman leaving British Columbia please turn out the lights?" That sign has gone now and recent reports indicate that the patient is improving every day but it was a close call. Our friends in the official opposition are always talking about what they would do with the resource industries in this province.

We've lost count; some of the veterans of the House have told me we've been No. 17 or No. 18, we did hear a sort of slant that way from the member for Sudbury East (Mr. Martel) as he gave his tear-stained, hysterical diatribe against mining companies.

Mr. Wildman: Come off it.

Mr. Jones: The other day he was talking about labour and the need for some increased protection there.

Mr. Wildman: Sure, let them die in the mines.

Mr. Jones: He wasn't so hard this time, I noticed, on the mining companies. One has to wonder if those late-blooming friends of business from Etobicoke or High Park managed to stick a sock in his mouth before he put a foot in theirs, given this new approach of the friend of the businessman which the NDP are now proposing.

Mr. Laughren: Did the John Birch Society write your speech?

Mr. Jones: Before anyone considers letting these economic blackguards get their rapacious hands on the resources industry in Ontario—

Mr. Wildman: Jack Horner is leftist beside you.

Mr. Jones: —look at their track record out west. I hope we keep reminding the voters of this province.

Mr. Laughren: We approved of it.
[9:15]

Mr. Jones: Another interesting comment made in this letter to small businessmen from the NDP candidate in my area is this: "Independent business matters to the NDP," and as he went on in this vein I checked to see if that was just his thought or perhaps the policy across the province. Sure enough, it is cranking up in many ridings across the province, and yet not too many people are going to forget the lessons of BC and Saskatchewan and the others we referred to.

It looks like our friends in the opposition are championing yet a new cause, yet a new sector of our society, and it's a sad commentary of our politics today that there are those who would seek to build their careers, build their own political future, by pointing to some as the friends of the corporate elite—we just heard it again from the member for Cambridge (Mr. Davidson)—and presenting themselves as friends of the little man and the working man. I said it before and I'll say it again, that as one of six children from a working class family I resent the suggestion advanced by the NDP members that they are the only ones who want to help the wage earner in Ontario.

I dislike the cosy platitudes we hear in this House every day of socialism and their claim to have a monopoly on concern for the average man.

Mr. Wildman: Just ask the guys who work in Matachewan.

Mr. Jones: This government has worked hard to foster an economic atmosphere in which small business may flourish and succeed. Take the small business operations division of the Ministry of Industry and Tourism.

Mr. Laughren: What a joke.

Mr. Jones: They don't talk much about that and what this government does through it.

Mr. Bain: It is not worth talking about.

Mr. Jones: You'd better believe it is. We have six regional offices, 22 field offices in Ontario and 15 foreign offices abroad. It provides industrial and tourism advisory services, as well as development programmes right in the areas where they are required.

Mr. Bain: They do nothing.

Mr. Laughren: Private labs—yes, we know.

Mr. Jones: They encourage manufacturing arrangements—

Mr. Wildman: Don't call it free enterprise though.

Mr. Jones: —provide business counselling and generally give assistance to the service industry and to small businesses, since these field offices are on the scene and they provide a grass roots level between Queen's Park and business.

Ms. Gigantes: How about small business in eastern Ontario?

Mr. Jones: What do you know about small business?

Ms. Gigantes: That's where I live.

Mr. Jones: Also included in the small business operations division is a selective placement group which advises industrial clients where potential employees with skills they are seeking can be found. One of the recurring difficulties faced by small businessmen throughout this province is that of obtaining adequate skilled labour. Though highly skilled workers are vital in many areas, we must also recognize the strengths and the abilities of the young people coming into the work force.

The previous speaker, the member for Kent-Elgin (Mr. Spence), referred to some of the heritage that we're giving to our young people.

Mr. Wildman: A ripoff.

Mr. Jones: One of the things we have is the Ontario Youth Secretariat, which I have the privilege to be responsible for at present.

Ms. Gigantes: Rah-rah-rah, that's what you teach them.

Mr. Jones: I can tell you some of the heritage that we're anxious to pass along to them. I can also tell you that we are worried about the widening gap that seems to be developing between what business is seeking from young workers and what the educational process is providing them, and that's not a criticism of the educational system. It's merely to say that we're aware of a growing concern within the private sector that formal education alone may not provide a young person with the necessary knowledge or skills for successful entry into today's work force. The responsibility for improving this situation lies as much with the educators as it does with the consumers of the educational product, the community at large.

Within the Ontario Youth Secretariat, our government recognizes the need for increased communication among unions, business, government, industry, educators—

Ms. Gigantes: Don't you want them to be trained!

Mr. Jones: I was in your riding last week, as a matter of fact, talking to people and they're interested in this.

Ms. Gigantes: Whose riding?

Mr. Bain: They must have just loved to have you.

Mr. Jones: Our career development programme is working to foster a greater awareness and understanding of the various needs of each sector.

This programme is being developed in close co-operation with the Ontario Chamber of Commerce. Local chambers and businessmen across the province are working to ensure that young people acquire the basic information on the realities of the working world. In this way, local business plays a major role in preparing students through the transition between school and work.

We're helping to strengthen the total education process so the students will be provided with the necessary background to formulate and evaluate their educational and occupational plans. All sectors have a real responsibility in the career development process of Ontario's young people. Today's youth are tomorrow's future and we all have

a stake in this and so we are all making an investment in the future.

One of the other major difficulties faced by the small businessmen in Ontario has to do with manpower, rising wages and rapid turnover of staff.

Mr. Wildman: You don't want to pay them too much.

Mr. Jones: I'm not attempting, in any way, to downgrade the hardships being faced by the genuinely unemployed, but let's not ignore the percentage of unemployed that are in a position to be very selective about returning to work, and let's not ignore the economic turmoil that this creates.

I strongly support the initiatives set forth in the 1976 budget to provide stronger incentives to Ontario's small businesses. As the hon. Treasurer stated, in this province of opportunity, the small businessman has a large role to play, as an employer, as a supplier of goods and services, and as an innovator.

Ms. Gigantes: Any more money for the small businessman? No.

Mr. Jones: The reduction of the general corporation tax rate from the 12 per cent to the nine per cent for all companies eligible for the federal small business deduction will be a great assistance to some 50,000 Ontario companies. In addition, 25,000 small corporations will be exempted from the onerous requirement of paying taxes in instalments and the proposed legislation to create venture investment corporations designed to increase the supply of risk capital will be welcomed by small business in all parts of the province.

Our government is committed to protecting the viability and the vitality of the private sector. We've never been leaders when it comes to effectively creating entrepreneurship and I'm happy to admit it. What we have done is develop programmes which will foster the type of economic development best able to create the atmosphere of results that will benefit the whole community. What we can do, and what we are doing and will continue to do, is to create incentives and an economic environment in which enterprise and skill can be encouraged and developed. There can be no place in this society for the assumption that profits are some kind of immoral reward for a few greedy robbers.

Mr. Wildman: Just excess profit.

Mr. Jones: Profits are a legitimate and honest return on investment. Excessive and

unreasonable taxes place an unfair burden on the savings of those who have taken risks to provide capital for our economy, and outright regulation or control threaten to destroy the very foundations of our quality of life.

Mr. Bain: Are you the resident Conservative platitudinous espouser?

Mr. Jones: So, if a party is to be friends of the businessmen, they best understand something about it.

Mr. Wildman: I'm going to speak in this budget debate about Ontario, not about the western provinces, and I'm going to talk about an area that was not mentioned once in the budget speech by the Treasurer (Mr. McKeough), and that is northern Ontario. There wasn't one word about northern Ontario in the budget, or in the presentation of the budget.

I'm particularly dismayed and dissatisfied with the lack of economic planning and foresight in the preparation of the budget introduced by the Treasurer, in that the north, as I said, was not even mentioned.

The so-called planning documents tabled in this House are not much more than a compilation of platitudes masquerading as policy planning. I am especially disappointed in the lack of policy initiatives for the economic and social development in the northeastern region of this province from which I come, and the apparent failure to recognize that transportation is a central determining factor in the diversification of the economy of the area and the improvement of the quality of life in the northern communities.

In the northeastern Ontario regional strategy paper which was tabled in this House there was only one recommendation, and that's a very weak one, that deals with transportation. This is a paper that purports to set out a planning strategy for the northeast but all it proposes for transportation is further study, in co-operation with the federal government, of truck and rail freight rates and the arrangements affecting the region and northern Ontario generally.

I don't deny that study is necessary to nationalize freight rate structures, especially since the recently tabled two-year study by the Ministry of Transportation and Communications was so inconclusive and inadequate. But there are many economic problems in northeastern Ontario that relate to transportation problems that require immediate action—the kind of measures that a government that remains wedded to free enterprise, if

only in philosophy, appears loath to take. Rather, it is easier to study planning than to implement it while the government continues to react to problems, after they develop with ad hoc measures. Unfortunately for northern Ontario, this approach often means missed opportunities and lack of development.

With few exceptions, northeastern Ontario suffers from stagnant population growth, a lack of growth in employment, a high rate of emigration and low levels of per capita income relative to Ontario, as a whole. This results from the fundamental laws of economic development in a so-called free market economy—the free enterprise system that is so often belaboured in the government's planning papers.

In this system, profit maximization seeks economies where it can find them. Economies exist in locating manufacturing close to markets and in areas where technical and managerial services, as well as social and economic infrastructure, have been developed by private and public investment.

The golden horseshoe of southern Ontario, which was mentioned by the previous speaker, has, accordingly, developed as a metropolitan centre dependent upon the exploitation of the resources from the hinterland regions such as northeastern Ontario. Economic surplus is extracted from the north and a poorly diversified, non-integrated economic base has developed in the north, as a result. Economic decisions are continually made by Toronto-based business and local executives and businessmen in the northeast have co-operated with these decisions, in their own interests. This is the great free enterprise system that was just now extolled by the previous member.

As a result of this economic relationship between north and south, the transportation network grew up designed to export raw materials to the south for processing. Freight rate structures which discriminate against the north have developed, making it cheaper to export raw materials than finished product and thus perpetuating the region's hinterland position. Freight rates, both rail and truck, tend to encourage the haulage of commodities in a relatively unprocessed state.

As a matter of interest, I suppose, in 1973 the provincial government lowered Ontario Northland's rail and truck rates by 18 per cent in an attempt to prompt other carriers to follow suit. This helped, somewhat, to alleviate the costs to northeastern Ontario. The overall problem of freight rate inequities has not been resolved, however,

since neither CN or CP has reduced rates by a similar amount. The transportation of raw material, southward, remains cheaper than the transportation of processed goods.

This problem of discriminatory freight rates is compounded and rates further inflated because of the limited number of transportation routes and modes and the lower level of freight volume in the north. The thinking behind the statement that "for the most part, the transportation requirements of business and industry in the northeast are adequately met by the existing infrastructure and their levels of service" in the northeastern regional strategy paper apparently indicates that this government accepts the present dependence of the north upon resource extraction industries. Even if this were acceptable, the statement is questionable when you consider the types of roads and so on that we have in the north.

[9:30]

The Ministry of Transportation and Communications, even in its recently tabled investigation of freight rates and related problems, has not come up with satisfactory programmes to deal with discriminatory transportation policies which might help the north. The study points out that truckload class rates in the north are higher, while the rates in the Highway 11 corridor are higher even than the rates in the Highway 17 corridor. This is because of lower competition among the carriers. Also, since there was a preponderance of small shippers dealing in the north, many of the loads are limited in volume and costs are higher on routes to many centres in the north. Pool car and truck services, which are available in other parts of this country, are now only available to Sudbury and to some shippers in North Bay and Thunder Bay.

The study commissioned by the ministry suggests further study by the Highway Transport Board to analyse the changes in the class A authority to allow for through service to Thunder Bay on Highway 11 and to remove restrictions on full load licences north of North Bay. It also suggests that pool car and truck rates and services should be encouraged in northern Ontario by having the ministry conduct a market survey and publish the findings.

These recommendations seem to me to be very weak, especially after two years of study. Here the ministry is suggesting further study of a problem that is obvious to anyone who looks at the figures.

Perhaps the reason for this is the emphasis that this government continues to put on the

development of the north by the private sector, rejecting real economic planning and control to bring about economic equality for the north. We should not delay any further the necessary amendments to the regulations. The government should move now to set maximum freight charges to and from centres that are captives of truck transport, and it should become actively involved in setting up pool truck services.

The government should also control express transport rates now that the ministry itself recognizes that express rates place northern Ontario at a competitive disadvantage. Instead, the study suggests that express rates should reflect equality with other areas of Canada and leave it to the private sector to bring that about. It's my position, Mr. Speaker, that since the private sector, based on past experience, is not likely to comply with this policy, the government should impose controls now.

This study also suggests that the trucking industry should institute tapering freight rates, as the railways now do in some areas, since freight costs display a tapering effect the longer the haul. This would certainly benefit the north. But, again, the government is only requesting change. Why doesn't this government ensure that terminal costs are spread over mileage haul by enforcing a tapering system for freight charges?

The study pointed out that another factor inflating freight charges for northern Ontario is that most goods travelling across the international border to and from the north travel via circuitous routes to southern Ontario gateways such as Windsor, Fort Erie, and Ivy Lea, rather than Sault Ste. Marie. The study suggested that an amendment be introduced to ensure that truck freight rates reflect direct route mileage between origin and destination so that the added costs resulting from such circuitous routing are not borne by the shippers and the consumers.

Mr. Speaker, I hope that we will see legislative action in this matter soon. But, again, the government is reacting to a problem rather than tying transportation into an overall plan for the economic development of the north. The economic impact of freight rates is significant when the need for economic diversification in the north is considered. The high rates on industrial goods inhibit diversification and economic growth. As long as the northeast remains essentially a hinterland economy, the region faces a danger that once its resource base is exhausted or even diminished, relative to other areas, a period of sharp decline will ensue. If an expanded

economic base is not established there is little hope for economic survival in the north.

The relative decrease in the importance of the Sudbury basin as a nickel-producing area poses such a threat, as one example, and perhaps the most serious. The necessity of developing a diversified economic base for northeastern Ontario, incorporating more processing activities, is therefore of pressing importance.

If freight rates are controlled or reduced to stimulate growth, however, and I don't really expect the government to do this, but if they were, the government would still have to ensure that the savings were not simply passed on in higher profits to parent companies by branch plants in northern Ontario. Measures must be taken to ensure that the multi-national corporations, if they are to continue to extract Ontario's resources, must help to diversify the economy of the north by establishing manufacturing and processing industries in the region.

Also, the government should act upon the recommendations of its own 1970 study entitled "Prospects for an Expanded Non-ferrous Metals Industrial Complex for Northern Ontario" for the establishment of industries where transportation is not a high cost factor. This study dealt with transportation as a cost factor, among others, in determining the viability of certain types of processing industries. It concluded that northern Ontario faced no disadvantage for constructing certain types of industries—for instance, cement plants, wire and cable works, copper and brass mills and sand-casting and die-casting non-ferrous foundries—since in these cases labour cost advantages would balance transportation problems. Government action is needed now to create such a complex for northern Ontario, but, again, it can't be done without overall planning for the economic development of the north, which requires that transportation and freight rates questions be integrated into economic planning.

Transportation planning must precede development, not simply react to it. Measures to deal with freight rates should be seen as planning tools. The government should be acting now to lessen northeastern Ontario's dependence on resource extraction as the sole basis of economic development. Control over the freight haulage industry must be exercised to eliminate discrimination against the north and inflated cost factors, wherever possible. The government should also initiate programmes to encourage the establishment of industries that do not depend heavily on transportation as the way to create diversifi-

cation and more jobs in the economy of northern Ontario.

As the previous speaker probably realizes, I'm talking about planning and control, something that apparently is anathema to this government. But I should make clear that without that kind of planning the north cannot develop and will remain a hinterland economy dependent upon resource extraction which benefits the south and exports jobs to southern Ontario. Since there is no planning at all for the north in this budget that was recently introduced by the Treasurer, I cannot support it and will have to vote against it when the time comes.

I realize that I haven't dealt with the arguments presented by the previous speaker about western Canada, I've just dealt with northern Ontario, something that this government doesn't know very much about. They know more about BC, perhaps, than they do northern Ontario.

Interjections.

Mr. Wildman: I am afraid that because of that, this government will continue to have only four members in the north, and will not really understand the problems of the northeast or the northwest.

Mr. Bain: They don't have any more members in BC than they do in the north.

Hon. Mr. Bennett: It is still the government.

Mr. Bain: In BC?

Hon. Mr. Bennett: It is still the government here.

Mr. Bain: Very tenuous.

Hon. Mr. Bennett: Doesn't matter; it is still the government.

Mr. Wildman: It is very unfortunate for northern Ontario, of course—

Mr. Bain: That is what Marie Antoinette said, too.

Hon. Mr. Bennett: That is not what she said.

Mr. Wildman: —but it is possible for this government to remain the government without having very many members in the north. I suppose this is the reason they take the attitude they do: "Who cares about the north? We can still be the government."

But I want to warn the government that unless they change their attitude they won't

have four members next time in the north. They won't even have one.

Mr. Eakins: They will all be Liberals.

Mr. Wildman: The suggestion was made recently by the member for Algoma-Manitoulin (Mr. Lane) that we should establish a northern Ontario ministry. It was a very interesting suggestion and I believe he is going to bring it up at the Progressive Conservative Party convention this weekend. It seems to have more to do with the fact that the member for Algoma-Manitoulin is the only PC member from the north who does not have a cabinet post than with anything that is going to benefit northern Ontario.

The problem, as he sees it, is that this government is not receptive to the needs of the north, and I must agree with him. He gave a very interesting speech last Friday at a meeting at which I was present. He detailed in quite eloquent terms how this government ignores the north, doesn't pay any attention to the north, and how northerners have such a difficult time getting this government to hear anything they want. And the interesting thing, Mr. Speaker, is after he is finished detailing all of these problems, then he turned around and blamed it on the bureaucrats, not on the government. It was the fault of all those bureaucrats from Toronto, who don't really understand the north.

The thing that he ignores, of course, is that those bureaucrats do what they are told to do by the government. This government tells them what to do; this government supposedly sets policy—I would hope they set policy. The government determines the policy; the bureaucrats implement it.

So the solution is not to impose a new bureaucracy, a new ministry—that would add more red tape to northerners who are trying to get things done—but rather to change the government.

Mr. Jones: Is that in the budget?

Mr. Wildman: Hopefully, if the members opposite support us in our approach to the budget, then we will be on the way to changing the government.

Mr. Bain: Was BC in the budget?

Mr. Wildman: The previous speaker, Mr. Speaker, spoke at great length about other provinces. I have tried to deal completely with Ontario, and specifically with the economic problems of northern Ontario.

Hon. J. R. Smith: The best place; the best place in Canada.

Mr. Wildman: And I think that it is very important for all of us to realize that unless this government sees transportation as a central tool in development planning for northern Ontario, that northern Ontario will continue to stagnate. We will continue to export jobs to the south, along with our raw materials, because it is cheaper to export raw materials southward than it is finished products. Young northerners will have to continue to move to that great golden horseshoe which, as the previous speaker said, was the centre of industrial growth in Ontario. We will have to continue coming south in order to get jobs, and the north will continue to lose in the whole equation.

The fact that this government has not yet learned this, the fact that the Treasurer could give a speech introducing a budget and not mention one word about the north—not one word—indicates what this government knows about that region of the province, and indicates how much they care about that region of the province. And imposing a new ministry for the north in order to give the member for Algoma-Manitoulin a seat in the cabinet, is hardly a solution.

[9:45]

The solution is to oppose this budget and to oppose the government that has introduced it, to develop economic planning with transportation as a central factor in it, to make it possible for economic diversification in the north, and to have manufacturing industries to produce jobs for northerners, so that this province will prosper and all of us in all regions of the province will benefit.

Mr. Reed: Mr. Speaker, it is a great pleasure for me to rise and reply to the budget speech which was delivered by the Treasurer (Mr. McKeough) on April 6.

I would like to begin by saying I don't want to take issue with my own colleagues and the member for London North (Mr. Shore) who did such a wonderful job in replying to this budget. I believe he stated his case clearly and eloquently. My other colleague in the back row, the member for Renfrew North (Mr. Conway), also possesses a degree of eloquence that I will never hope to match. However, both of those colleagues of mine alluded to the Treasurer's performance. I would like to go on record as saying that of all of the members of this House, I probably am in a better position to judge a theatrical performance than my two colleagues—

Mr. Haggerty: We will see he gets an Academy Award for that.

Mr. Reed: —and what a performance it was. It was worthy of the best, including I must say the enthusiastic applause of his claque, which was there to support him. The setting would have made P. T. Barnum, the man who coined the phrase "there's a sucker born every minute," green with envy. When you stop and think of it, here he was on a stage with a paying audience of 7.5 million, most of them captive. And how they pay!

Mr. Haggerty: In bondage too.

Mr. Reed: The price of admission this year jumped to \$708 a seat.

Mr. Gaunt: That's right. They pay out of the pocket book—

Mr. Reed: Can you imagine a theatrical setting more appropriate? I know the scalpers in Toronto have been getting as high as \$75 for a hockey ticket at Maple Leaf Gardens, and I also realize the performance we witnessed was as excellent a performance as it could be. But the price of admission is getting a little out of hand. The one redeeming factor is that this had one peculiarity that must be pointed out. The author was required to render his own performance, a requirement of no mean talent. By way of critique, might one suggest that the minister continues to actively postulate and develop his performance career and encourage others to become students of the pen?

I should also take a moment to commend the director of this performance in choosing the minister to have the lead in this production and seeing in him the talent necessary to stage the performance. The one thing I found regrettable about the whole thing was—as the late George Drew would have put it—the cast of trained seals. I found them to be far too numerous, and one would hope that after another election, their numbers would be much reduced.

It is a privilege to speak to this budget because it rests with the position taken by both the Liberal Party and myself as a campaigner in the last election. I don't think enough time has elapsed yet for all of us to forget that it was our party, the one that the Treasurer refers to with such disdain as the third party, that spoke of the need for restraint and financial responsibility. It was our party that stood alone in its criticism of continuous deficits that have plagued this province ever since the member for Brampton (Mr. Davis) became Premier.

I cannot forget my worthy Conservative opponent, during that election campaign, who would march up and down the stage and tell

audiences that deficit budgeting was the modern way for governments to operate and that the economy of the province would benefit from sustained deficit. I cannot forget criticizing the cost of regional government, at that time, and being told it was only temporary and that the cost of government, under the regional system, would soon come down.

Hon. J. R. Smith: Join Hamilton!

Mr. Reed: I cannot forget the rash of irresponsible giveaways prior to the election, which have cost the taxpayers of this province so much money.

Of course, I cannot forget it was two months later—two months only—when the Treasurer of Ontario decided, at last, to do an about-face and turn and go the other way. You see, he realized, without admitting it—and it was pretty difficult to get him to do that—the Liberal position really wasn't all that bad. It must have been a bitter pill for him to swallow to think that the third party contained some element of responsibility.

I support the concept of restraint and moderation and I commend the Treasurer's courage in being able to realize his error and change his mind and begin the long arduous path of repentance. I use the words, "long arduous path," because to this point nothing has been resolved and, in truth, the only thing we have gained to this date is posture. We will not see the realities of this restraint budget until the end of the year—until we find out if the province will need a supplementary in order to carry out its business. You see, Mr. Speaker, that would be the acid test and one wonders, now, if some of the revenue predictions contained in this budget would reflect expectations beyond the province's capacity.

I am concerned, too, with the priorities that the government gives to spending and the way it attempts to justify the expenses it incurs and the moves it makes. For the record, I would like to relate a hopefully short chronology of events, which tends to continue my doubts about the sincerity of this restraint programme, and whether it is not indeed nothing more than a posture.

Away back on May 19, 1974, the cabinet made a decision, at that time, to proceed with the construction, or to allow the proceeding of the construction, of a hydro corridor from the proposed Bruce nuclear plant to the environs, if you like, of Metropolitan Toronto. Because of objections of property owners along the way, and so on, the government attempted to placate these people by holding public hearings, environmental hearings and

what have you, and led everyone to believe the final decision had not been made.

This last winter, knowing things were about to come to a head, the people called the Interested Citizens Group, who represent 4,500 citizens along the proposed path of the corridor, approached the Ontario Ombudsman, and asked him if he could look at the case. Three weeks later a Lieutenant Governor's order in council was handed down authorizing the construction of the corridor—that is the second authorization the hon. members have to remember, just to keep things straight—and hopefully precluding the Ombudsman from participating on behalf of the Interested Citizens Group. The rationale given was that time was fleeting, and if this corridor was not constructed there would be a backlog of generation at the Bruce nuclear plant which would cost the taxpayers of Ontario untold millions of dollars.

The Ombudsman, on the other hand, wasn't to be hoodwinked by this order in council so he proceeded to consider the legality of his position, disregarding the decision. It was not until April 5, 1976, that the contents of that cabinet decision were revealed to the Ombudsman, at which time he was effectively restrained from acting on behalf of the Interested Citizens Group. At the time, the Minister of Energy (Mr. Timbrell) issued a statement saying the delay had already cost the people of this province between \$45 million and \$48 million.

Can you imagine, Mr. Speaker, that back in 1974, on May 19, the government had the options open to it at the time either to proceed with the corridor or grant an independent study of that corridor and the feasibility of the whole plan, as was requested by the Interested Citizens Group.

Mr. Good: The decision was made then.

Mr. Reed: If the delays have cost a nickel, that responsibility must be borne by this government. I am sorry even to have to bring this subject up again, as a matter of fact. This deliberate delaying of revealing the facts to the public and to the Ombudsman, the deliberate holding of environmental hearings and going through all the charade of public participation and the cost, lead me to wonder about the priorities of this government.

Mr. Gaunt: It's very cynical.

Mr. Reed: Cynical isn't the word, if it indeed had cost \$25 million to \$48 million. What about the further delay? We now have a situation where the Interested Citizens Group is still asking for an independent study

and where the operation of expropriation and so on, the beginnings of this Hydro corridor, are being undertaken. We know the delays in court, the legal delays that can be imposed, can take another two years. We know one little independent study will take approximately three months. I ask you, Mr. Speaker, and I ask my friends in the House, where are the priorities? If we want to talk about costs, let's talk about that cost.

I want to tell you, Mr. Speaker, I am continuing to press for an independent study of this corridor through the select committee of Ontario Hydro. The premise that my case will be based upon is simply the comparative cost between further legal delays of two years and the granting of an immediate study.

[10:00]

Finally, I would like to say something about municipal taxation. The Treasurer's main method of applying restraints has been to shift the burden of fiscal responsibility on to the municipal taxpayer. He must have seen this coming for some time since he began last winter to try to soften the people of my riding by accusing them of being something akin to freeloaders.

At the same time, he has gone on to defend the system of government of his creation, of course, which has proven to be one of the most costly blunders of the 1970s. I am referring to regional government. He admits publicly now that there is duplication of service. He admits publicly that regional government is more costly. But he says now that any recommendation for a change must come from the municipalities.

The financial condition of this province, which has prompted the closing of hospitals in small communities and placed constraints upon people trying to administer such things as Children's Aid Societies, must somehow be taken as evidence that the validity of the regional system must be questioned and that those functions which can be more efficiently and more cheaply performed at the municipal level should be turned over to the municipality. I grant that, upon doing that, there may be very few functions left for the regional system to perform. However, I would recommend that the Treasurer might serve better to lose a little face at this particular

point in history and save a whole lot of money.

The Treasurer has defended the higher cost of regional government by saying the quality of services before imposition was in some cases very low. I wonder if he will ever be able to tell the people of Ontario by whose standards the quality of services in municipalities was low. In many cases I could mention, the quality of service was of a standard acceptable to the people in the municipalities; what is more important, those standards were affordable by the people in those municipalities.

Who, outside of a municipality, has the right to tell the people that their standards of service are too low? Does the government of this province have the right to tell us what is good for us? The plain fact is that there is room in a number of areas for real financial restraint. I have mentioned one. The year 1976 will tell us whether or not the Treasurer's budget may start the Province of Ontario back on the road toward financial health.

Mr. Good: No way.

Mr. Reed: The taxpayers of Ontario will all be chipping in to help the Treasurer out of his jam—

Ms. Gigantes: Exactly.

Mr. Reed: —and I am sure he is aware there is a limit to their generosity.

Mr. Speaker: Does any other hon. member wish to take part in the debate at this time?

Mr. Kennedy: If not, I will move the adjournment of the debate. Did you want to speak, Murray?

Mr. Gaunt: No, it is not my turn.

Mr. Kennedy moved the adjournment of the debate.

Motion agreed to.

Hon. Mr. Parrott moved the adjournment of the House.

Motion agreed to.

The House adjourned at 10:03 p.m.

CONTENTS

Tuesday, May 11, 1976

Budget debate, continued, Mr. Davidson, Mr. Spence, Mr. Jones, Mr. Wildman, Mr. Reed	2203
Motion to adjourn debate, Mr. Kennedy, agreed to	2223
Motion to adjourn, Mr. Parrott, agreed to	2223

SPEAKERS IN THIS ISSUE

- Bain, R. (Timiskaming NDP)
- Bennett, Hon C.; Minister of Industry and Tourism (Ottawa South PC)
- Bernier, Hon. L.; Minister of Natural Resources (Kenora PC)
- Davidson, M. (Cambridge NDP)
- Deans, I. (Wentworth NDP)
- Eakins, J. (Victoria-Haliburton L)
- Foulds, J. F. (Port Arthur NDP)
- Gaunt, M. (Huron-Bruce L)
- Gigantes, E. (Carleton East NDP)
- Good, E. R. (Waterloo North L)
- Haggerty, R. (Erie L)
- Jones, T. (Mississauga North PC)
- Kennedy, R. D. (Mississauga South PC)
- Laughren, F. (Nickel Belt NDP)
- McClellan, R. (Bellwoods NDP)
- Newman, B. (Windsor-Walkerville L)
- Reed, J. (Halton-Burlington L)
- Roy, A. J. (Ottawa East L)
- Smith, Hon. J. R.; Minister of Correctional Services (Hamilton Mountain PC)
- Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
- Spence, J. P. (Kent-Elgin L)
- Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)
- Wildman, B. (Algoma NDP)

Ontario. Legislative Assembly



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Third Session of the 30th Parliament

Thursday, May 13, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159)

LEGISLATURE OF ONTARIO

THURSDAY, MAY 13, 1976

The House met at 2:03 p.m.

Prayers.

HEALTH OF MAJOR SOAME

Mr. Renwick: Mr. Speaker, on a matter of privilege, may I ask how the Sergeant at Arms, Maj. Soame, is doing?

Mr. Speaker: Thank you for your inquiry. He has been having certain physical difficulties. He'll be back with us shortly, we hope. He's supposed to go to the doctor today. He's coming along.

Mr. Renwick: Thank you.

Mr. Speaker: Statements by the ministry.

LAKESHORE PSYCHIATRIC UNIT

Hon. B. Stephenson: Mr. Speaker, yesterday I announced an independent investigation of medical staff-administration relationships, with particular reference to the child and adolescent unit, would be made at the Lakeshore Psychiatric Hospital. The Ministry of Health is endorsing the request of Mr. William Jappy, who is director of the psychiatric hospitals branch, for an outside team to assess the overall situation at the hospital.

Mr. Jappy has asked the Ontario Medical Association and the Ontario Hospital Association to appoint an independent team to assess the situation at the Lakeshore Psychiatric Hospital and make recommendations based upon their findings.

Both the Ontario Medical Association and the Ontario Hospital Association have agreed to comply with this request. The appointees, however, have not as yet been named.

It is expected that this investigation will take a few days. It is also expected that the recommendations of the team will be made shortly after the completion of their assessment.

ONTARIO SECURITIES COMMISSION INVESTIGATION

Hon. Mr. Handleman: Mr. Speaker, on May 6, the hon. member for Riverdale asked me

a question concerning the Ontario Securities Commission. I'd like to reply by way of a statement rather than losing the valuable time of the question period for this purpose.

The question was prompted, I believe, by an unsigned letter sent to the members of this Legislature. I, too, had received a copy when the question was asked, but at that point had not had the opportunity to study it.

I'm referring to the letter dated May 6, purporting to be from an Ottawa public servant, which talks about—and I quote: "The unfettered powers of the police, and more particularly, the civil service in the field of wiretapping."

The letter went on, and again I quote: "While most such activity is merely frivolous, such action, in a substantial number of cases, is undertaken for personal reasons, often linked to profit."

Appended was a package of documents, purporting to be letters, dated between July 28, 1966, and April 30, 1970, exchanged between the US Securities Exchange Commission and the Ontario Securities Commission.

OSC investigators are currently conducting an extensive investigation into these documents and earlier this week I received a preliminary report from OSC chairman, Mr. Arthur Pattillo.

In brief, the report points out inconsistencies in names, titles, dates, letterheads, addresses and file numbers as well as the obvious applications of paste-pot and scissors.

Mr. Pattillo's report does not deal in general terms. It deals with each specific document, one after the other, and in document after document the inconsistencies recur.

To give one example, a number of the letters are allegedly written to or by a Mr. Harold S. Bray, once the director and now vice-chairman of the OSC. Well that's close but no cigar. We have a Harry Bray. He was a director and is now vice-chairman of the OSC. His name is Harry because he was christened Harry. People call him Harry. He signs his letters Harry, because that's his name,

And, lest he might have become confused and forgotten who he was at one point or another, we checked the signature. It's an obvious forgery.

I think the point has been made and I don't want to belabour it any longer or take up any more of the time of the House, except to make one comment. Obviously, a lot of time and effort and some cost went into this amateurish and unconvincing forgery. I have been asked—

Mr. S. Smith: You do a better job than Interpol.

Hon. Mr. Handleman: —who could have done it. We don't know who could have done it. The point is, we don't even understand why but we intend to pursue this matter until we do find out and make sure that appropriate steps are taken.

Mr. Singer: MacKay from Ottawa might help you.

Mr. Peterson: Hire some plumbers.

ASSISTANCE FOR ASBESTOS WORKERS

Hon. B. Stephenson: Mr. Speaker, on May 6, 1975, the then Minister of Labour announced a programme of assistance measures for workers in Elliot Lake who had been adversely affected by exposure to air pollutants during employment in the mines. That programme is now fully operational under the administration of the Workmen's Compensation Board.

I am now pleased to announce that the Workmen's Compensation Board has approved a similar assistance programme for workers with asbestosis or related chest conditions and for those classes having asbestos fibre dust effects but not asbestosis.

Those workers already diagnosed as having asbestosis and still employed in exposure will be actively encouraged to leave exposure employment for other work. Such workers will be assisted during the transition period with compensation based upon a difference in earnings. In addition, rehabilitation and retraining assistance will be provided by the board and if resettlement in another community is necessary a relocation expenses grant will also be paid as a rehabilitation measure.

Following substantial investigation and research by the board's consultant in chest diseases, Dr. Charles Stewart, and his colleagues at the board in consultation with the experts of the advisory committee on occupational chest diseases, criteria have been

established for identifying asbestos fibre dust effects in asbestos workers who do not have asbestosis. Such workers will also be encouraged to seek non-exposure employment. While in the absence of disability, entitlement to disability compensation cannot be established, entitlement will be provided to substantial rehabilitation assistance allowances, including vocational retraining and, if necessary, resettlement elsewhere.

As with the Elliot Lake programme, the board will ensure that any future claims cost related to such workers' exposure to asbestos will not be charged to the new employers.

Arrangements are being made by the board for the programme to commence in Scarborough on June 14, 1976. Approximately 36 workers from Canadian Johns-Manville with indications of asbestos fibre dust effects will be interviewed during that week. Subsequently, representatives of the board will visit other locations in Ontario as necessary to provide assistance under the programme to affected workers throughout the asbestos industry.

The board will work closely with both the industries and the unions involved to ensure that each individual worker affected who wishes to participate in the programme receives every consideration, and the workers may have union representatives present at the interviewing stage to assist them.

This new and comprehensive programme is, I believe, the first of its kind in North America and represents a further major innovation by the Workmen's Compensation Board in providing assistance to industrial workers in this province.

FEES FOR FOREIGN STUDENTS

Hon. Mr. Parrott: Further to my statement of May 4 regarding higher fees to foreign students and my subsequent reply to questions asked by the member for Wellington South (Mr. Worton) and others, I would like to reiterate our understanding that assistance to developing countries is a federal responsibility. I have already indicated our desire to discuss this matter with the federal government. Today, however, I would like to indicate that in these discussions Ontario is prepared to make a very positive definite proposal.

We are prepared to absorb the cost of the tuition surcharge applied to foreign students in Ontario post-secondary institutions who are sponsored and financially backed by the Canadian International Development Agency. Most federal government assistance to students from

developing countries is administered by CIDA. In one of their programmes, for example, students from developing countries are awarded up to \$6,000 in a calendar year for fees, books and other education and living expenses.

We understand that these students are highly qualified and deserving of our support and ultimately will return home to assist in the development of their own countries. Of a total of 1,700 CIDA-sponsored students in Canada, we expect that approximately 500 students will be assisted by Ontario.

I'm sure the hon. members will also bear in mind that even foreign students of an unsponsored type, who will be required to pay increased tuition fees, will still be heavily subsidized by the Ontario taxpayer.

Mr. Speaker: Oral questions.

HOSPITAL CLOSINGS

Mr. Lewis: You're getting there. I have a question; first, if I may, to the Premier. It may be a clarification. Now that Chesley Hospital has reopened its doors, begun admitting patients and taken back its staff, can we assume, can the public assume and can the hospital assume it will be given the same considerations of funding for an additional six months as was described here in the House earlier this week?

Hon. Mr. Davis: I think that's a very reasonable assumption for the Leader of the Opposition to make. As I pointed out, I believe on Tuesday, the Chesley board was meeting and that certainly as far as the government was concerned it would be prepared to discuss the future of the hospital with that particular hospital board. I'm sure the ministry will be doing that on the understanding that it falls within the same guidelines as the other institutions that have been affected; and we're talking about a six-month period at this moment.

Mr. Lewis: Good. A small step for the Tory party.

LAKESHORE PSYCHIATRIC UNIT

Mr. Lewis: A question, if I may, of the acting Minister of Health, Mr. Speaker: Can the acting Minister of Health give us some sense of the terms of the inquiry into the Lakeshore Psychiatric Hospital that is being conducted by the medical establishment? What do they intend to look into?

Hon. B. Stephenson: The inquiry is scarcely being conducted by the medical establishment. The components of the team are both members of the Ontario Hospital Association and the Ontario Medical Association. It will be an inquiry, I would judge, much like those that have been carried out by similar teams into the problems arising within general hospitals within the province where there seems to be a problem of communication or difficulty between staff and administration. We hope their recommendations will be of assistance to us.

Mr. Lewis: By way of supplementary, if I may briefly, is the minister going to provide some perspective for the inquiry team or the Legislature as to their terms of reference? For example, is the inquiry largely to look at the problem of the unhappy admission of the 14-year-old boy to an adult ward for a month and what occurred? Is it to look at the transfer of the child unit to Thistlethorn and the implications for the adolescents who remain? Is it, perhaps, finally, to "get" Dr. Marcilio, as many of us suspect has been the inclination of some of those in the senior administration at Lakeshore, and this will be the apparatus which finally removes him from the hospital system? What are the terms of reference? Who will the witnesses be? How will it be held?

Hon. B. Stephenson: I can't give details about how the inquiry will be conducted because this will be a decision which is made by those members of the team who are involved, as to the most appropriate method of carrying out the inquiry. However, I think all of the problems mentioned, except perhaps the specific problem of Dr. Marcilio which the hon. Leader of the Opposition has defined in one specific manner, will be part of the terms of reference to this committee.
[2:15]

Mr. Lawlor: A supplementary, please: How far back in time, perhaps to the inception of Dr. Bond coming into office, will this commission go? Secondly, is it within their terms of reference, as the minister understands them, to investigate various treatment methods used for children?

Hon. B. Stephenson: I'm sorry, Mr. Speaker. I didn't hear the hon. member's final sentence.

Mr. Lawlor: I'm concerned about treatment methods, which is a moot point at that hospital, and it is within the ministry as to how children are treated; is that part of the survey to be conducted by this commission?

Hon. B. Stephenson: Mr. Speaker, perhaps if the members of the team feel this is an appropriate part of the study, they will include this. I would think they will extend their investigation back as far as they feel it's necessary to do so in order to determine all of the reasons for the present state of unrest within that institution.

ETHNIC ADVERTISING CONSULTANT

Mr. Lewis: A question, if I may, of the Premier, relating to the copyright story in the *Globe and Mail* this morning. Can the Premier address himself to or comment upon that? On the face of it, it certainly appears to be a strange conflict of interest on the part of a gentleman who is paid an actual amount of money by a government ministry on a monthly basis and then receives, through a private agency, an additional commission on top of that? In the one case he acts as an adviser on the ethnic press and in the other case as the placer of advertisements in the ethnic press. Does it cause the Premier some concern as to the propriety of the arrangement?

Hon. Mr. Davis: Mr. Speaker, I would suggest to the Leader of the Opposition that the Minister of Industry and Tourism (Mr. Bennett), within whose ministry this programme is situate, is quite up to date as to the facts and the information and is more than prepared to answer the questions.

Mr. Bounsall: A supplementary.

Mr. Speaker: You can try it.

Mr. Bounsall: As a matter of general government policy, is the Premier willing to write into the contracts the government has with advertisers or printers or anything else that applies, upper limits to which they might charge additional fees to the recipients of their services or spell out in detail what they are or are not allowed to do in the way of further charges?

Hon. Mr. Davis: Mr. Speaker, I really don't regard that as a supplementary. The Leader of the Opposition, I know, would like an answer to his initial question and in that the Minister of Industry and Tourism is prepared to answer that question, if the hon. member feels that is a supplementary at that stage, I'm sure the Minister of Industry and Tourism would be delighted to answer that.

Mr. Cassidy: Why don't you keep him out of the House?

Mr. Lewis: I'll be pleased to ask the Minister of Industry and Tourism when he's here.

GRAVEL PIT LICENCE

Mr. Lewis: Can I ask the Minister of Transportation and Communications if he is aware of a major sand and gravel licence given to, I think Regan Sand company, and leased in turn to Armbro of Brampton, for a large wayside pit in Uxbridge township to furnish Highway 401? Is it the habit of the Ministry of Transportation and Communications to give approval for such pits, which may be in direct contravention of the official plan, without letting the municipal or regional people know?

Hon. Mr. Snow: Mr. Speaker, I am somewhat aware—I don't have all the details regarding the particular matter. A contract was awarded for repaving work on Highway 401 to Armbro Construction. It is my understanding—it is the policy of the ministry to issue permits for wayside pits in connection with particular construction projects. Of course, all the normal rules and regulations and rehabilitation clauses and everything, I'm sure, are connected with that particular pit.

I understand there was some concern. I believe our contract for the construction called for certain work to be carried on in off-hours in order to eliminate as much as possible the conflict with traffic on the highway. This created another conflict by having the trucks hauling the gravel in these off-hours and it's created a nuisance to residents in the area. I believe the contractor and officials of my ministry have been able to work out some adjustment in the scheduling to allow the contractor to proceed normally and to eliminate the need for hauling in these off-hours.

Mr. Sargent: With regard to Armbro—

Mr. Cassidy: You are back.

Hon. Mr. Snow: Welcome back. Nice tan.

Mr. Lewis: Did the member for Grey-Bruce hear they are reopening hospitals?

Mr. Sargent: The Leader of the Opposition can't argue with success.

Mr. Lewis: Touché.

Mr. Speaker: Order.

Mr. Sargent: Related to the Armbro matter, is my information correct in that the ministry paid \$9 million to Armstrong Broth-

ers for land acquisitions for the parkway belt west regions? Is that figure correct or not?

Hon. Mr. Snow: First of all, I don't see where that question is supplementary at all to the matter relating to a wayside pit at Whitby.

Mr. Speaker: I am sorry, I didn't hear the supplementary question. Is this a supplementary to the original question?

Mr. Sargent: I am trying to find out, Mr. Speaker.

Mr. Speaker: Let's hear it.

Mr. Sargent: Was an amount of money, in the neighbourhood of \$9 million, paid for a gravel pit or for land acquisition?

Hon. Mr. Snow: If I may clarify this situation, the hon. Leader of the Opposition asked me a question regarding a wayside pit in Pickering.

Mr. Sargent: Does the minister know or not?

Hon. Mr. Snow: The supplementary question, I believe, refers to land in the parkway belt west, which is perhaps 30 miles away.

Mr. Shore: Close enough for a supplementary, though.

ETHNIC ADVERTISING CONSULTANT

Mr. Lewis: Could I just redirect a question to the Minister of Industry and Tourism that I asked of the Premier? Can the minister express a view upon and is he concerned about the apparent conflict of interest in paying someone from his ministry \$800 a month to advise on the ethnic press and then that same individual being paid a commission for the placement of advertisements in the press? Does the propriety of that concern the minister as it concerns me, for example?

Hon. Mr. Bennett: No, it does not. The simple reason is that the individual we retained is to advise the ministry on placing of advertisements in the ethnic press and to assist in the translation from English to whatever language it happens to be that we are placing ads in whatever ethnic press. There are some 70 in the province. He is a direct adviser to us and that is all. The final determination as to whether ads will be placed in a particular press or newspaper rests entirely with the ministry.

Mr. Cassidy: That's pretty thin.

Mr. Lewis: I just want to understand. Is the minister suggesting that Mr. Kowalski does not place advertisements in the press as he has indicated he does, and get a commission from them? Does the minister not feel that it would be better to have one or the other job given to this man rather than both, particularly since he has even demonstrated publicly, political preferences in the way in which he regards the ethnic press, which is something, I am sure, that would horrify the Premier, given his observations on ethnic matters?

Hon. Mr. Bennett: First of all, Mr. Kowalski happens to be an advertising agency operating in the Province of Ontario and has in his agency under contract certain ethnic newspapers across the province—

Mr. Sargent: He is not even listed as an agency.

Hon. Mr. Bennett:—as well as radio stations and television stations. He has been an adviser to us on a fee basis as to where we should be placing ads. I have already said clearly that we make the final decision as to where the ad will go. Mr. Kowalski is in the private sector as well. He is paid a regular commission, as are all other advertising agents who happen to handle advertising, either in the ethnic press or in the standard press of this province.

Mr. Singer: Supplementary: I wonder if the minister could advise us, in view of what appears to be a very large sum of money that Mr. Kowalski receives because of his peculiar position, and even though it didn't do the Tories much good having him in that position, whether it wouldn't be a very substantial saving of public money if this job was done within government and by a civil servant who was trained for the purpose, particularly bearing in mind that Ontario already has a translation service which it makes available to all members concerned with that kind of service?

Hon. Mr. Bennett: Mr. Speaker, first of all there is the sum of money; and there was some \$435,000 spent in advertising in the ethnic press. May I say in regard to the ethnic press, there is none that is more complicated and difficult to handle, not only because of opposition members, but because of members in our own party who constantly want us to place ads in the ethnic press, where they should rightly be, and where the people of other languages should be informed of the services of the government of their province—and we believe it's our responsi-

bility. But it is a most difficult situation, because everyone and his brother thinks he's got another press that's valid and should be recognized.

As far as the approved sum of money is concerned, Mr. Speaker—

Mr. Singer: It didn't do you much good. You elected very few members in that portion of Toronto.

Mr. Speaker: Order, please.

Hon. Mr. Bennett: —not all of it is spent in the printed media. About half of it is spent in the printed media, the balance in radio and television. As far as in-house services are concerned, if I had thought, sir, that it would have been less expensive for this government to retain the services in-house for the translation services, the placement services and the individuals who deal with the ethnic press on a day-to-day basis, we would have done so. We do not believe it. We believe it's better to have it contracted out.

Mr. Bounsall: Would the minister not agree that the commission fee at 30 per cent that's being charged by Mr. Kowalski is indeed a little rich, and would he not agree that contracts being let for advertising through his ministry have minimum standards written into them, or maximum amounts on what the commission fee can be?

Hon. Mr. Bennett: Mr. Speaker, as far as commissions are concerned, that's between the agent and the newspaper that he happens to be working on behalf of or for. While the commission rate in this particular case is 30 per cent, I am under the impression that the others working in this field are charging 35 and better for placement of advertising—

Mr. Singer: Oh, that's good.

Mr. Breithaupt: That certainly makes it right.

Hon. Mr. Bennett: —but the final determination as to the percentage paid to a particular advertising agent rests entirely between the agency and the newspaper. It is not paid for, Mr. Speaker—may I underline this—the commission is not paid for by the province. We buy the advertising predicated on the preferential lineage cost. The commission is paid for by the newspaper that he happens to be dealing with.

Mr. Singer: This government allows the system.

Mr. Cunningham: Would the minister be inclined to tell us, or investigate and report to the House, whether or not this individual and his franchised advertising agency are recognized by the advertising industry in the Province of Ontario?

Hon. Mr. Bennett: Yes, I will, Mr. Speaker.

Mr. Cassidy: It is like having a Ford car dealer advise us on the purchase of automobiles.

Hon. Mr. Bennett: Your outfit is the one—

Mr. Speaker: Order, please.

Mr. Sargent: What about all those kickbacks?

LABOUR RATES OF ONTARIO HYDRO MOVING CONTRACTOR

Mr. S. Smith: I have a question, Mr. Speaker, for the Minister of Energy, if I might: Now that a senior official of Ontario Hydro, one Phillip Stratton, director of corporate services, has apparently confirmed the information I gave the House a few days ago concerning the failure of Tippet-Richardson to fulfil the terms of its contract, can the minister tell us what steps he is going to take to make sure the employees who work on the contract are paid in accordance with the conditions of the tendering and the contract itself; and can he tell us also what steps he is going to take against the moving company for its failure to live up to the contract under the tendering rules?

Hon. Mr. Timbrell: Mr. Speaker, I am very glad the leader of the third party asked the question again. I was prepared to give the answer to him today. Following his initial question on Monday, I did investigate and I found the following:

At the commencement of the moving contract, the successful tenderer informed Ontario Hydro of the labour rates it would pay for this work. At that time, such rates were in conformance with prevailing collective agreements for the trades involved.

I might add that it is a requirement of Ontario Hydro that current rates be maintained throughout the course of the contract. At the conclusion of the work performed under contract, the contractor submitted a signed statement certifying that it had complied with Ontario Hydro's requirements regarding the employment of labour.

As a result of a challenge to this matter from one of the unsuccessful bidders, Hydro

instituted an investigation in early April, which has confirmed that the labour requirements were not fully met. The investigation is continuing, during which time Hydro is withholding moneys otherwise due to the contractor. It will be Hydro's intention to resolve the matter in such a way as to achieve conformity with its labour requirements.

Mr. S. Smith: By way of supplementary, can the minister not see that the whole tendering process is called into question when one of the companies is able to bid on a basis different from what the other companies expected the game to be, and if everyone knew they had to pay the rates they were supposed to pay, the bidding might have been a bit different?

[2:30]

Hon. Mr. Timbrell: No, I disagree that in any way suggests the tendering process is deficient. Hydro does require, as I indicated, that the wages paid be in conformity with existing union contracts for the same trades. It does require them to file a signed statement that they did conform with those requirements.

In cases such as this, when Hydro finds that statement was not correct or not true, it withholds money—in this case many tens of thousands of dollars—which more than covers what is involved in the difference between the required rates and what was actually paid to some of the employees.

Mr. S. Smith: May I ask the Attorney General, in view of the fact that this contract has been breached, according to the Minister of Energy, if he feels his office will look into whether charges should be laid under any particular section of the Criminal Code?

Hon. Mr. McMurtry: I'm sorry, Mr. Speaker; I didn't hear the Minister of Energy state that there had been any breach of any contract.

Mr. Speaker: Are you going to direct the question of the Attorney General?

Mr. S. Smith: A supplementary: Not to waste the time of the House, will the Attorney General undertake to check with the Minister of Energy about this matter and report to the House?

Hon. Mr. McMurtry: Yes.

Mr. S. Smith: Thank you.

PUBLIC HEALTH NURSES' NEGOTIATIONS

Mr. S. Smith: A question for the acting Minister of Health. With regard to the matter of the lockout of the public health nurses in the Pine Ridge-Haliburton area, which we discussed a few days ago, is the minister aware that one Mr. John Starr was appointed by the government to be on that particular board, that the vote to lock out the nurses was a unanimous vote and that he was present at the meeting during that vote? Can she tell us, therefore, how she can justify his behaviour and whether she is undertaking to take any action in this regard?

Hon. B. Stephenson: Mr. Speaker, as I reported to the House on at least two occasions, we have been attempting to take some action. There is a meeting this week of boards of health of the Province of Ontario to which the ministry is making representation in order to attempt to persuade them that there must be a solution found to this problem as rapidly as possible. I am still attempting to find out why that specific board of health decided to take that course of action and I'm afraid I do not have that information as yet.

Mr. S. Smith: Thank you very much.

SALARY CUTS AT SMITHS FALLS FACILITY

Mr. S. Smith: In the absence of the Minister of Community and Social Services (Mr. Taylor) I think the provincial secretary for that ministry is around, is she not? She's beside the Attorney General.

If I may just ask the question while she is returning to her seat; will the minister confirm a report that unclassified staff in the Smiths Falls mental retardation facility are going to have their salaries cut by 40 cents an hour, in addition to losing unused sick credits, effective from June, and unused holiday time, effective from September? Can she tell us, if she can confirm this, how many staff are involved and whether the staff have been told that they face dismissal if they protest this action?

Hon. Mrs. Birch: Mr. Speaker, I would reply to the hon. member that I'm not aware of that but I will make every effort to get the information and to see that it is reported.

OIL PRICES

Mr. S. Smith: A question for the Premier. Could he assist the citizens of Ontario by

lessening their curiosity about what went on between him and his confrere from Alberta, Premier Lougheed?

For instance, could he tell us what his answer was to Premier Lougheed when he suggested the Premier could reduce the Ontario tax on fuel oil as a way of saving the necessary jobs which are very much required in this province? Could he also tell us whether he had an answer for Mr. Lougheed when he said that if he didn't increase his oil prices he'd keep the oil in the ground? Could the Premier tell us what his answers were to Premier Lougheed in these matters?

Hon. Mr. Davis: Mr. Speaker, I'm going by memory once again but I rather think I answered that same question—the first one—either to the hon. member who has just asked the question or the gentleman on his left last Friday morning, as a matter of fact.

Mr. Martel: Playing tennis again?

Hon. Mr. Davis: I think I answered that specific question and if the leader of the Liberal Party would search through Hansard I think he would find my reply.

Mr. Nixon: I might assure the Premier there was no reference to the threat from Alberta that the crude would be left in the ground.

Hon. Mr. Davis: No, but I was referring to the first question, where I think the former leader of the Liberal Party— and I may be wrong on this—asked me—

Mr. S. Smith: What was said to Lougheed?

Hon. Mr. Davis: —no, no, asked me about the Premier of Alberta's observations about the tax, and I think I gave a reply.

Mr. Nixon: The question was what the Premier said to Lougheed.

Mr. Speaker: Order, please. The hon. Premier has the floor.

Hon. Mr. Davis: I told the hon. member exactly what I said to the member for Brant-Oxford-Norfolk. We don't intend to lower our tax; it's as simple as that. With respect to —what was the other observation made—a threat to what?

Mr. S. Smith: Keep the oil in the ground.

Hon. Mr. Davis: Keep the oil in the ground? I don't really recall him making a threat to keep the oil in the ground.

Mr. S. Smith: By way of supplementary: Is it the Premier's understanding that Premier

Lougheed has at any time said to any official, either of this government or the Canadian government, that if he did not get an increase in his oil price sufficient to meet his particular desires, he would keep the oil in the ground and give Ontario a dry pipeline at the end of the pipeline in Sarnia? Is the Premier aware that he has ever made that suggestion, or that his officials have ever made that suggestion, and what has been the Premier's answer to him on that matter?

Hon. Mr. Davis: Mr. Speaker, I have to confess to the leader of the Liberal Party that I have not been privy to all of Premier Lougheed's conversations with the first minister of Canada. Actually, the member for Hamilton West has seen him since I have and perhaps he would have made that observation to the member.

Mr. S. Smith: That's right. He gives the Premier his best regards.

Hon. Mr. Davis: Perhaps the first minister and the member settled all of this in that delightful luncheon the day after. That's when I answered the question to the member's colleague with respect to the first question he asked today.

Mr. S. Smith: True enough, but the member for Brampton is still the Premier, of course.

Hon. Mr. Davis: I can't comment on what the Premier has said to any official, when I have not been there.

Mr. S. Smith: Quite a fan club they have over there. They need each other.

Hon. Mr. Davis: I can only refer to anything that the Premier of Alberta has said in my presence. I think the leader of the Liberal Party would understand that as being fair and reasonable, and while I—

Mr. Lewis: Does it never end? Sit down.

Hon. Mr. Davis: Well, you know, a question of this kind deserves an answer of this kind. I can only say that the Premier of Alberta, as I think the leader of the Liberal Party would understand, is endeavouring to make the best arrangements for the people he represents. I think he is anxious to obtain that which he feels is reasonable and to which he thinks the citizens of Alberta are entitled.

I would have to say to the leader of the Liberal Party that I happen to disagree with the Premier of Alberta as to what that amount should be. This has never been a secret. And if it helps him any, I will say it here again

publicly: I do not agree on the \$2 request from the Province of Alberta. I have always found, too, that—

Mr. Lewis: What a revelation.

Mr. Singer: Can you elaborate on that?

Hon. Mr. Davis: Mr. Speaker, to elaborate further on that point. To elaborate further—no, I can't really say, in the context in which the leader of the Liberal Party has phrased the question, that the Premier of Alberta has threatened to have a dry pipe to Sarnia. I don't ever recall the phrase "a dry pipe to Sarnia" being used by the Premier of Alberta.

Mr. S. Smith: Never heard of it—nor have any of his officials ever heard of it.

Mr. Hodgson: Try again.

Mr. S. Smith: Mr. Speaker, thank you very much. It is just wonderful to hear these answers. You know, if he and his fan club here didn't have each other, they would have to invent each other—because they require each other.

Mr. Speaker: Does the hon. member have further questions?

NORTH PICKERING PROJECT

Mr. S. Smith: Yes, a final question to the Minister of Housing: What recommendations has the minister received from the Ombudsman with regard to the Ombudsman's investigation into certain aspects of the North Pickering project—namely, the practices and procedures in acquiring land? What action does he propose to take following his meeting yesterday with the Ombudsman?

Hon. Mr. Rhodes: Mr. Speaker, I have received no recommendations from the Ombudsman as yet. The action I am taking following the meeting is to wait for the report to come to me.

Mr. S. Smith: By way of supplementary: Will the minister give an undertaking to this House that he will table the Ombudsman's report and the recommendations?

Hon. Mr. Rhodes: Mr. Speaker, I think the procedure is that the report will be made to my ministry, at which time we will have an opportunity to study it, consider the recommendations and recommended action, and it possibly can be made public at that time, yes.

Mr. Shore: Either shred it or do something else.

Mr. Good: You can always appeal to the Supreme Court.

Mr. Lewis: Does the minister not realize a copy of that report also goes to the member for Durham West (Mr. Godfrey) as one of the complainants, and that he should discuss with him its tabling as well?

Hon. Mr. Rhodes: I'm quite aware of what the requirements are as they relate to the report that the Ombudsman may make on any particular matter. I am well aware of the fact that those persons who are listed as complainants will be receiving copies of that report as well. The hon. leader of the Liberal Party is referring to what I was going to do with my copy.

PRICES AT HIGHWAY SERVICE CENTRES

Mr. McNeil: I have a question of the Minister of Transportation and Communications. Is the minister aware of the differential in the price of gasoline between highway service centres and off-highway service stations and does the minister propose to take any action?

Would the minister also indicate the effect of government leases with oil companies on the prices charged for gasoline at service centres in view of the increases in federal excise tax and fuel prices generally?

Hon. Mr. Snow: Yes, I am aware of a substantial differential between the prices charged. I believe there are 23 service centres on our expressways. I am aware of the higher prices they are charging. We are looking into this matter now and I hope to have some recommendations for the government to consider that might alleviate some of this situation.

These service centres are operated under a lease agreement with the oil companies which tender for the award of these leases, and the lease agreements call for a percentage of gross sales, not a per-gallon rate. When most of these leases or contracts were drawn up—some of them quite a number of years ago—fuel was at a much more reasonable price than it is today. As the costs have increased, and especially since our friends in Ottawa have increased them by another 10 cents with their further excise tax, this increases the sale price and, consequently, increases the amount paid for the lease, as it is a percentage of gross sales.

Actually, the revenue that the Province of Ontario is receiving for these leases has gone up considerably with the price of the fuel. This was not the intention. We are looking into some way that we may be able to alleviate some of this situation.

Mr. Ruston: Does the minister in considering this realize that at the King centre on Highway 400 the rate of commission is 20 per cent so that the province is also picking up about nine cents a gallon, plus its regular tax? In effect, the station there is paying 29 cents and 3½ cents federal sales tax, plus nine cents commission, or over 40 cents a gallon in tax.

Hon. Mr. Snow: I have a little trouble following the hon. member's question. The gasoline tax is the same at that station as it is at any other station within the province; we all know that. But if the hon. member had been listening, he would have heard me say a moment ago that our rents for the leases under the service station arrangements on this freeway are based on a percentage of gross sales. Because our friends in Alberta and our friends in Ottawa—and Saskatchewan, too—have decided to increase the cost of fuel so much and because the hon. member's close friends in Ottawa have added that extra 10 cents a gallon tax, naturally the cost of the lease goes up, because it is based on gross revenue, as I told the hon. members a few moments ago.

I think the hon. member's question was totally answered in my answer to the question of the member for Elgin.

Mr. Speaker: A final supplementary, the member for Etobicoke.

[2:45]

Mr. Philip: Can the minister assure members of this House that his timetable for recommendations to the cabinet is at least a little bit faster than the timetable by the Minister of Energy (Mr. Timbrell) or the Treasurer (Mr. McKeough) in the recommendations that they have been going to bring to cabinet for months in related areas?

Hon. Mr. Timbrell: You know very well that we're waiting for the commission.

Mr. Philip: By then the dealers will be bankrupt.

Mr. Speaker: Order, please.

Hon. Mr. Snow: Mr. Speaker, I don't know what related areas the hon. member is speaking about. This particular matter relating to the price of gasoline at the service centres

on the freeways is of concern to me; it's of concern to my colleagues on this side of the House.

I have had a full investigation of the leases. The leases vary greatly in percentages and in terms and, as I say, our revenue for the leases has gone up considerably because of the increase in the price of fuel brought about by others than those on this side of the House. We're looking for some way of coming up with a formula or an adjustment in our lease arrangement, because all we're really looking for is the normal return we had anticipated on the normal price of gasoline, not on a highly inflated price brought about by others.

RENT REVIEW PROGRAMME

Mr. Cassidy: I have a question of the Minister of Consumer and Commercial Relations. Does the minister consider the way rent review is being administered by his ministry is making the rent review process biased against tenants?

Hon. Mr. Handleman: No, Mr. Speaker.

Mr. Cassidy: If not—since the minister says no, can he explain—

Mr. Renwick: If not, why not?

Hon. Mr. Davis: Mike, you're on camera.

Mr. Cassidy: —why tenants are being denied the right to make their own copies of the landlord's cost revenue material when copies are available to both the landlord and the rent review officer; why the rent review officers are harassing tenants at the hearings and in many cases cutting off their right to speak; and why the vast majority of the 73 rent review officers are from private business, including 20 with a real estate background, while only one has had the remotest connection with tenants' interests and only three are women?

Mr. Breithaupt: What would have been the supplementary if he had said yes?

Hon. Mr. Handleman: Mr. Speaker, I don't happen to have had the opportunity to review each of those questions in turn. With regard to the cost/revenue statement, it is available to all of the tenants to examine; they can take whatever information they want from it. There is no provision for copies being provided through our office. I don't accept the allegation that the tenants are being harassed or denied the right to speak at hearings, and I would like to have specific examples rather

than that kind of broadside type of allegation. And I don't accept for one minute that the tenants are in any way being prejudiced by the programme at all.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: This is the final supplementary.

Mr. Cassidy: In view of that reply, can the minister explain why rent review rulings are averaging 19 per cent in Ottawa, and why these rulings are so far out of line with the 13 per cent average for the province and the eight per cent which the minister has said is an adequate increase in 1976 to cover landlords' costs?

Hon. Mr. Handleman: First of all, it's not a rent freeze, it's a rent review programme, and at the very outset the whole concept of the programme was that cost pass-throughs would be allowed. The practice in Ottawa, as the member for Ottawa Centre knows quite well, is to have long-term leases, and many people in Ottawa are coming off three- and five-year leases; they can't expect to settle for a eight per cent increase. The average of 13 per cent, of course, does not take into account any of those rent increases which have not gone to the rent review process, because they are under eight per cent.

Mr. Cassidy: Supplementary, Mr. Speaker.

Mr. Speaker: No, that was the final supplementary.

HOSPITAL CLOSINGS

Mr. Sargent: Mr. Speaker, a question to the Premier: Since the Premier is the one who presses the button in most cases—

Mr. Sweeney: He'll self-destruct, Eddie.

Mr. Bullbrook: We'll just call him Dr. Strangelove.

Mr. Sargent: —and he will have to explain to his party's annual convention his irresponsible stand on hospital closings, and since I learned this morning that his government has squandered about \$100 million to date this year on the parkway belt west and there is \$28 million left in the pot, would he tell me how he can justify the closing of hospitals as part of his government's restraint programme and how he plans to tell the 24 hospitals which he plans to close that he's still going to close them?

Hon. Mr. Davis: Mr. Speaker, I'll try to deal with the three or four questions that the hon. member, in his traditional and logical approach to these questions, has asked.

Mr. Sargent: I like your clothier. I like your suit.

Hon. Mr. Davis: I like your tie, too; I think it's great. Where did you get it?

First, if the member is referring to the annual meeting, unlike his own party, it is a very open party that I have the honour to lead. He'd be welcome there this weekend.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Davis: I'm not sure he would get to vote but anyway he is welcome and he can discuss the policy of the government as it relates to health services. I can't give him the exact hour or where the panel is being held but he would be welcome there. We will look forward to seeing him there on Saturday afternoon.

Mr. Sargent: I'll be there.

Hon. Mr. Davis: With respect to the acquisition of land by the government as it relates to the 24 hospitals, I really couldn't quite follow the logic of this. I think I said very clearly in this House that there had been—I'm going by memory again—five or six hospitals plus two private hospitals about which an order in council had been passed with respect to closing. I don't know what 24 this hon. member is referring to and I think I also made it abundantly clear there are no further hospital closings contemplated.

With respect to the acquisition of land in the parkway belt west, yes, the province is acquiring land. If the hon. member, as a representative and speaking for the Liberal Party of Ontario, says the Province of Ontario should not be acquiring land to preserve the neighbourhood integrity of the areas west of Metropolitan Toronto; if he feels that provisions should not be made for transportation corridors and those things which we think are pretty basic to curb the traditional approach to urbanization which has been experienced elsewhere, I would only suggest that he read the rather contradictory statements made by the leader of his party who one day is in total support of a partial freeze on farm land and the next day is opposed to it, depending on where he is, but is very concerned about the land-use policy. If the member for Grey-Bruce is say-

ing that government should not be acquiring land for future generations—

Mr. Sargent: Why doesn't the government block off parkway east then?

Interjections.

Mr. Speaker: Order; order please.

Hon. Mr. Davis: —and trying to preserve the urban environment which we have, the quality of growth which we have experienced, let him say so. I only ask if he is speaking for the total Liberal Party in the Province of Ontario?

Mr. Nixon: Sorry, Bill, the lights are out.

Mr. S. Smith: It is the second time you have not told the truth in the House.

Mr. Speaker: Order, please. We've had enough unrelated questions. I think we'll get on with the next one. The hon. Minister of Energy has the answer to a question.

Hon. Mr. Timbrell: Mr. Speaker, I gave the answer earlier to the member for Hamilton West.

Mr. Speaker: I'm sorry. The member for Sudbury East.

LAURENTIAN HOSPITAL

Mr. Martel: I have a question of the acting Minister of Health. Can the minister tell the Legislature who from the ministry contacted J. P. Lebel and requested his resignation? What form was used? Was that done by telephone, telegram or did the ministry write a letter to him?

Hon. B. Stephenson: Mr. Speaker, I wrote a letter to Mr. Roger Gionet asking him to notify all the then members of the board of that hospital to submit their resignations upon the recommendation of Judge Waisberg.

Mr. Martel: A supplementary question: Why then, on April 21, which was after the letter to Mr. Gionet, was a telegram sent by Alan Backley, Deputy Minister of Health, saying the following, "For your information, the legal members of the board of Laurentian Hospital are" and the first one listed is J. P. Lebel?

Hon. B. Stephenson: I'm sure there was a reason for listing the names alphabetically. However, I told the member yesterday—

Mr. Singer: Then you didn't ask for the resignations? A supplementary—

Mr. Speaker: Order, please.

Hon. B. Stephenson: I told the member yesterday that there was an assumption that because two members, at least, of the then board had been originators of that hospital and had been members of the board from the inception, they might be legally constituted members of the board. That's the only reason.

Mr. Singer: Why don't you give us the right story? You can't have it both ways. A supplementary.

Mr. Speaker: No, I announced that as the final supplementary. There are two minutes left for several more questions.

Mr. Singer: The minister has not given us the right story on that, not once.

Hon. B. Stephenson: I did.

CHARGES FOR ZONE CHANGES

Mr. Good: I have a question of the Minister of Housing. Since I understand there is no authority in legislation for municipalities to—

Interjections.

Mr. Speaker: I'm sorry, we can't hear the hon. member. The question period is not over yet. The hon. member for Waterloo North.

Mr. Good: Thank you, Mr. Speaker. Since I understand there is no legal authority in legislation for the levying of charges when applications are made to a municipality for a zone change or a development agreement, is the minister proposing changes in the Planning Act which would legalize this practice, which is common among all municipalities I have checked so far?

Hon. Mr. Rhodes: No, Mr. Speaker, I am not at this time contemplating any changes in the Act to deal with that particular matter.

Mr. Good: Supplementary: Since this is a common practice and there evidently is no authority for it and municipalities do, in fact, have a lot of expense involved with these applications for zoning changes, doesn't the minister think he should do something about it one way or another?

Hon. Mr. Rhodes: Mr. Speaker, this particular matter would probably fall into the area of a total fee examination as to what is being charged by municipalities for various types of services offered as it relates to deal-

ing with land situations. I would think that perhaps we should review the whole question if there is this problem.

Mr. Speaker: The Minister of Consumer and Commercial Relations has the answer to a question.

LCBO OUTLET IN NEW LISKEARD

Hon. Mr. Handleman: Mr. Speaker, On Friday, May 7, the member for Kitchener (Mr. Breithaup) asked me a question regarding the lease arrangements made by the Liquor Control Board of Ontario for its store in New Liskeard.

I can report that during the year 1972, the LCBO's committee for stores development investigated, surveyed and considered four suggested store locations in New Liskeard, and started negotiations for a lease with Pulkinghorn Developments Ltd. during January of 1973. The Pulkinghorn location, in a shopping centre at the corner of Cedar Ave. and Armstrong St., was considered the best of those inspected because of its location in the centre of town. The three other sites investigated were on the outskirts of town and the LCBO had received calls from local municipal councillors asking that the store be centrally located.

The LCBO entered into a 20-year lease with Pulkinghorn Developments Ltd. for the store at an annual rental of \$20,304 per year. This rent was considered fair value at that time and commensurate with prevailing rents in the area. Looking back now, and considering the rates of inflation we have been subjected to over the last few years, the lease is becoming more attractive all the time.

In summary, Mr. Speaker, I would say the LCBO entered into an entirely reasonable lease at a most desirable location in the town of New Liskeard.

Mr. Speaker: The oral question period has expired.

POINT OF ORDER

Mr. Cassidy: On a point of order, Mr. Speaker, I would like to say I am dissatisfied with the answer given by the Minister of Consumer and Commercial Relations to my question on rent review, and wish to raise it at adjournment next Tuesday.

Mr. Speaker: Will you give that to me in writing, please, before 4 o'clock?

Petitions.

Presenting reports.

Hon. Mr. Welch tabled the annual report of the Ontario Arts Council for the year ending March 31, 1975.

ANTI-INFLATION PROGRAMME RESULTS

Hon. Mr. McKeough: Mr. Speaker, I am tabling for the information of the members a report prepared by my staff which documents the operation of the federal anti-inflation programme in Ontario since October. Though it is still too early to make a judgement on the effectiveness of the programme, the report indicates there are some encouraging signs.

Consumer price inflation has been declining since last October. April was the fifth consecutive month in which the year-to-year increase in the Consumer Price Index was below 10 per cent. This downward trend was largely attributable to declining food prices which are not directly controlled under the programme. However, wholesale prices, a leading indicator of price trends, have shown encouraging stability in recent months. The general wholesale price index is actually below the level recorded last October. The downward trend was reflected in virtually all categories.

Turning to the wage side, the news is not as good. Wage settlements have continued to rise in the first quarter of 1976, despite AIB rollbacks. No doubt without the AIB settlements would have been higher. I hope we will now see wage settlements brought more closely into line with price and productivity trends.

Another area of concern is the potential impact of the anti-inflation programme on productivity performance and investment in our economy. This is something which we are examining with a view to perhaps recommending better productivity incentives.

The anti-inflation programme has a way to go yet before it becomes fully effective. Overall, I am encouraged by the early signs. Additional staff reviews of the programme will be tabled in the Legislature at regular intervals.

REGIONAL GOVERNMENT FINANCIAL REVIEW

Hon. Mr. McKeough: Mr. Speaker, I am also pleased to table a report entitled "Regional Government in Perspective: A Financial Review."

This report, prepared by the municipal finance branch of my ministry, is the sum-

mary, or if you like the culmination, of the various regional reports presented by me during my visits to each regional council last summer and fall. It compares the financial performances of the regions to those of the rest of the province and to that of Metropolitan Toronto. In doing so, I feel it adds depth to the analysis, and supplies as well a very useful measuring stick for assessing the financial problems and progress of the regions in comparison with the achievements of Ontario's other municipal governments throughout the same period.

[3:00]

As the members know, the regions have been subjected to intense growth and development. With Metro Toronto fast reaching the preferred limits of its growth, the pressures on the regions, particularly those near Metro, can only intensify. For this reason, I consider it particularly important and useful to be able to gauge the region's past performance and future prospects by means of the analysis contained in this report.

The report defines and clarifies the major criticisms levelled at the regions, such as why property taxes have undergone unusually large increases in some area municipalities where regional governments have been established. In recognizing and elaborating on the positive accomplishments of the regions, the report enumerates the difficulties which regional governments have faced in their attempts to control their spending because of the wide scope of responsibilities they have had to assume and the backlog of demand for services inherited from their predecessor municipalities.

The report also points up some important weaknesses in the performances of some regional governments, such as paying employees higher salaries for less responsibility than would be entailed in comparable jobs in other jurisdictions and maintaining costly administrative structures that could have been reduced when certain functions were transferred to other levels of government. Even at that, it must be said that many regions have developed sound budgeting and administrative practices, and have done so with admirable speed.

I believe any fair-minded person who studies the facts in this report will be obliged to conclude that regional government represents a distinct improvement over the older system and in many respects could serve as a model for all levels of government to emulate.

Mr. S. Smith: Heaven help us if it does!

Hon. Mr. McMurtry presented the annual report of the Law Society of Upper Canada with respect to the Ontario Legal Aid Plan for the year ended March 31, 1975.

Mr. Cassidy: That's out of date too.

Hon. Mr. McMurtry presented the annual report of the Public Trustee's Office for the year ended March 31, 1975, and the annual report of the Law Foundation of Ontario for the year 1974.

Mr. Cassidy: Did it take a year and half to write that?

Mr. Speaker: Motions.

Introduction of bills.

HEALTH INSURANCE AMENDMENT ACT

Mr. Ziemba moved first reading of bill intituled, An Act to amend the Health Insurance Act, 1972.

Motion agreed to; first reading of the bill.

Mr. Ziemba: The purpose of the bill is to facilitate the obtaining of information relating to the amounts billed to OHIP by any hospital, health facility or persons providing insured services.

Mr. Speaker: Before the orders of the day, I want to announce that many of the new members in particular have requested copies of the centennial edition of "The History of the Electoral Districts in the Province." The chief electoral officer has therefore had a copy placed in each member's mailbox.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch tabled the answers to questions 31, 48, 52, 55, 64, 66, 77 and 78 standing on the notice paper. (See appendix, page 2271).

Mr. Renwick: Since you have been the House leader you are the first one from whom we can understand the numbers.

Mr. Speaker: Orders of the day.

ONTARIO GUARANTEED ANNUAL INCOME AMENDMENT ACT

Hon. Mr. Welch, on behalf of Hon. Mr. Meen, moved third reading of Bill 47, An Act to amend the Ontario Guaranteed Annual Income Act, 1974.

Mr. Renwick: Mr. Speaker, in the absence of my colleague, the member for Bellwoods (Mr. McClellan), I want to reiterate, on third reading of the bill, that we consider the government has made a serious mistake in discriminating between persons within Canada—between those born here, who are resident here and who will not be subject to restriction on their eligibility for the GAINS programme and those who were not born here and are either landed immigrants or Canadian citizens but who will be discriminated against with respect to their eligibility under the GAINS programme.

We oppose what the government is doing. We consider it is wrong. We consider, in the light of the arguments which were put to the government, that it is most unwise to proceed with this legislation.

Motion agreed to; third reading of the bill.

KENT COUNTY ROMAN CATHOLIC SEPARATE SCHOOL BOARD ACT

Mr. Spence moved second reading of Bill Pr9, An Act respecting the Kent County Roman Catholic Separate School Board.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr9, An Act respecting the Kent County Roman Catholic Separate School Board Act.

CITY OF BURLINGTON ACT

Mr. Breithaupt, on behalf of Mr. Reed, moved second reading of Bill Pr12, An Act respecting the City of Burlington.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr12, An Act respecting the City of Burlington.

CITY OF TORONTO ACT

Mr. Renwick, on behalf of Mr. Grossman, moved second reading of Bill Pr13, An Act respecting the City of Toronto.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr13, An Act respecting the City of Toronto.

DOVERCOURT BAPTIST FOUNDATION ACT

Mr. Lupusella moved second reading of Bill Pr21, An Act respecting the Dovercourt Baptist Foundation.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr21, An Act respecting the Dovercourt Baptist Foundation.

Clerk of the House: The 18th order, House in committee of supply.

ESTIMATES, MINISTRY OF TREASURY, ECONOMICS AND INTERGOVERNMENTAL AFFAIRS

(continued)

On vote 1001:

Mr. Good: I believe I was speaking when we adjourned the other night at 6 o'clock. I want to pursue a few additional matters under the general office vote—at least the ministry office—because I don't know where they would fit in any other place.

Continuing with the thought I was talking about, that is the \$200 million of savings on deposit in the Province of Ontario Savings Office which is credited to the consolidated revenue of the province, I still do not understand how the province can have use of these funds without any debt instrument appearing anywhere in the financial statement to relate to the borrowing that goes on by the province of these funds.

I know the Treasurer (Mr. McKeough) said it would show up in the balance sheet. All right; it would show up as the cash flow usable by the province, but on what authority do you use the money if there is no debt instrument to operate? In effect you then have an additional \$200 million borrowing capacity, which doesn't show up anywhere in the Treasurer's report. Now, granted, the additional funds they expect do show up—the \$31 million additional funds from Ontario Savings Office—but I would like an explanation of how the \$200 million on-going on deposit shows up in the Treasurer's report?

Mr. Chairman, we must remember that any other institution carrying on a depository

function, such as a trust company, would be then guided by the principles of the registrar of loan and trust companies and would be required to keep certain securities and assets on deposit to guarantee the deposits that are made to the bank. So, maybe the Treasurer could elaborate somewhat on his answer of the other night of how this \$200 million fits into the financial picture of the province?

Hon. Mr. McKeough: Mr. Chairman, I don't know what the member means by the Treasurer's report—perhaps he might explain that.

Mr. Good: I am sorry, the budget report.

Hon. Mr. McKeough: It does show up in the budget. It is there in the budget. I found it for the member the other day. There is the increase.

Mr. Good: But there is also your \$34 million increase you expect to utilize.

Hon. Mr. McKeough: But I would say to my friend that we also owe the Canada Pension Plan several billions of dollars, and you won't find that figure in my budget either.

Mr. Good: Oh yes, you do, under the "consolidation of debt values" shown.

Hon. Mr. McKeough: It is not shown in here. You find it in the budget. You will find it in the balance sheet, which is the Treasurer's report and which is filed as the annual financial report of the province once a year. The authority for using that money is found in the Agricultural Development Act, which Act established the Province of Ontario Savings Office; which Act is administered by the Minister of Revenue (Mr. Meen).

Mr. Good: All right. Thank you, Mr. Chairman. I have two other matters.

Hon. Mr. McKeough: If the member wants specifics, I would refer him to the financial report of the province dated March 31, 1975, page 11. Demand deposits of the Province of Ontario Savings Office were \$233 million as of that date.

Mr. Good: Okay, fine.

Hon. Mr. McKeough: This is where the information is found. In the same way, there were liabilities to debentures as of that date of \$9.536 billion—and then there would be a breakdown under the note as to how that liability is made up.

Mr. Good: Fine, thank you; I will check that out.

There are two other matters, Mr. Chairman. First of all, there is the matter I brought up with the Minister of Housing (Mr. Rhodes) today in that there appears to be no authority in legislation for municipalities to charge the fee which they are now charging for zone change applications and for development applications for a development agreement. The Minister of Housing suggested this matter should perhaps be discussed with the Treasurer—and the whole question of authority for municipalities to make certain charges.

I think the Treasurer certainly must realize that all municipalities are charging a \$100 fee for zone changes and for development applications.

Hon. Mr. McKeough: With respect, Mr. Chairman, I think this is something specific, which I can't answer at the moment—which is another reason to make it specific. Therefore, it should probably come up under—my guess would be the sixth vote.

Mr. Good: All right; maybe the other matter can also be brought up later. But I wish the Treasurer would clarify to the public utilities commissions of Ontario the matter that was dealt with under Bill 41, coupling with that the problem which exists in the municipality of Thunder Bay and, once and for all, bring to an end the flood of letters which all members in this Legislature are getting, which seem to indicate erroneously, in my view, that the municipalities are trying to take over the capital assets and the assets of the public utilities commissions.

[3:15]

I think the whole thing would be well served if the Treasurer were to make a public statement in this regard. There are those of us who are still getting inquiries and letters, which I think are not well founded, from our local utility commissions which are in fear of having their assets taken over by the municipalities. I understand this all stems from the OMEA's directive which went out because of Bill 41 and also because of the hassle which is going on in Thunder Bay at the present time.

Hon. Mr. McKeough: I think that might wait until vote 1006 too.

Ms. Bryden: I just have one additional question. The other day the minister mentioned aircraft rental among the items under ministry office. I think he said \$12,000. Could he tell us what that was for?

Hon. Mr. McKeough: What it is to be for? It isn't spent yet. It was an estimate of the amount of air travel which I and the minister's office—I guess the deputy minister would be included in that—will be making during the course of this year. I don't know where to and when. I suppose that's a long-term average figure of what it is; an experience factor, we call that. I flew back from Belleville today to be here, so part of the \$12,000 is gone.

Ms. Bryden: Do I understand this is rental of charter aircraft?

Hon. Mr. McKeough: It could be, but it is probably government aircraft which is charged back to each ministry through Natural Resources. Occasionally they don't have aircraft but I can only recall, I think, twice in the last fiscal year when we would have chartered a plane. Normally we're using Natural Resources planes. The only reason we wouldn't use them is if they weren't available and we still needed a plane. They rent them for us, as a matter of fact, so we get a bill from Natural Resources in any case.

Ms. Bryden: Do I take it therefore that this use of government planes is for trips by ministry officials or the minister himself? Are there commercial facilities available for these trips?

Hon. Mr. McKeough: Oh, yes, sure.

Ms. Bryden: Is it cheaper to use government planes? Why do you use government planes instead of ordinary commercial aircraft or trains?

Hon. Mr. McKeough: If the plane is full, depending on the distance, quite often it is cheaper or it is comparable. The main difference is usually the availability and the time schedule. Speaking in Belleville today at noon was a good example. I don't know of any other conceivable way that I could have been discharging my responsibilities here at 2:50 without the use of a government plane.

Mr. Shore: The other day when we began these estimates, the question originated as to whether there was any additional spending by the Management Board or otherwise that wasn't revealed in the estimates. The Treasurer proceeded to answer the question, stressing that it wasn't a question of not revealing. Maybe my terminology is questionable. At any rate, he then went on to explain some of the Management Board decisions. Then we got into the subject of approximately \$171 million which is in the budget called "con-

tingency for salary awards." The minister is quoted as trying to explain that. I sort of thought I was understanding it. One part of his quotation is:

Finally, there was quite a deliberate move, which is as good a point as any to 'fess up to—I don't know that I have got the details of it here and I don't know whether the Chairman of the Management Board touched on this—since there is no provision in the Financial Administration Act . . .

He then went on to discuss it. I thought I was receiving an explanation but I must say, having read it, I am not satisfied that I really understand the explanation. To me it is a very important item and a very important issue and I would like very much to have this whole area explained to me because it really is significant.

I will feel totally uncomfortable until I've got a satisfactory answer so that I can clearly understand it—never mind question it, but truly understand it. There are conflicting statements and I am sure the Treasurer may understand it that way but, with the greatest respect and in fairness to myself and to others who may be interested—maybe even in fairness to the Treasurer, if he is interested; I don't know—certainly in fairness to myself, to understand what happened here requires further explanation.

Admittedly the Treasurer may say this is a Management Board item and unfortunately the Management Board estimates are already dealt with. I would hope we will not get rid of that problem or the answer to the question with that type of statement. I would respectfully ask if the Treasurer cannot explain it more fully here that he direct somebody to explain it to me and to any others who may be interested. I conclude that I can't even question it until I can clearly understand it. There is something there which is just not coming home to me.

Hon. Mr. McKeough: Mr. Chairman, this is found in vote 501, item 4, under Management Board, the \$171 million salaries and benefits contingency. What I made reference to the other day was \$43 million of that amount and two of the four items do affect these estimates.

The difference between \$43 million and \$171 million is \$128 million, which is the amount which is in the Management Board estimates for pay increases—possible pay increases—from April 1, 1976, to March 30, 1977. Included in the \$171 million is a further \$43 million which is an estimated amount which, if, as and when arbitrations are ever handed down and settled, would be applicable to the period—the earliest period, I guess, would be, for some of it, Oct. 1,

1975 to March 30, 1976; and some of it from Jan. 1, 1976, to March 30, 1976.

There is no provision in the Financial Administration Act for this. I would think the next time we amend that Act we would make a provision or make allowance for a provision to set up that amount which we legitimately feel is owing, \$43 million. It will undoubtedly be that amount, more or less; that is what we estimate it may be. As a matter of fact, I guess part of it was settled after the estimates were printed but before—yes, after the estimates were printed, a small part of it, for the non-bargaining group, but forget that interjection really.

To reflect accurately in the budget of the province the fact that, as of March 30, we had a salary and wage contingency of some \$43 million, the decision was made to make one advance payment to four items in all, which normally would have been spent really on April 1, 1976. In effect, we paid them on March 30, 1976, and reduced the estimates you have in front of you by that \$43 million.

By journal entry, really, that, I guess, has already been reversed on April 1—or it will be. We have paid in advance, to give you the accurate figures, to the Educational Capital Aid Corp., \$5.9 million; to the Land Corp., \$22 million; to the Northland Transportation Commission, \$11 million; and for hospital construction loans, \$4.1 million. That should total \$43 million. We paid that out on March 30, which, in effect, increased our expenditures last year by \$43 million, reflecting that liability for wages, and we reduced this year's estimates in those four categories by \$43 million, reflecting the fact that when we pay out that \$43 million it will, in fact, be a 1975-1976 expenditure, rather than 1976-1977.

Mr. Shore: Bear with me, Mr. Chairman. I must say that I cannot grasp it, because I am having difficulty understanding. The mathematics I can accept, the bookkeeping and accounting I can accept, but I am having trouble relating it to the statutory requirements in the Financial Administration Act.

I am not clear, personally. As I understand it there is nothing in provincial law that allows a government to accrue. Is that correct? Could I have that answered for me? In other words, when your budgets are done and when your expenditures are over with, the moneys must be disbursed in that year. Is that correct, because that is where I am really having trouble here?

Hon. Mr. McKeough: We are on a modified cash accounting basis. Essentially what

you are saying is correct. There are a couple of variations. We keep the books open until, I think this year it was April 23; in effect, I am not sure whether the cheques would go out on April 23 or backdated to March 30; that's what I would call that kind of cash accounting. That is essentially what happens. We do accrue, in my language, instead of setting up an accounts payable, but I don't know how much that was. We, in effect, under the Act, pay those bills all as of March 30. They are all for goods and services received during March, but the bills weren't necessarily available at March 30, or the approval hadn't been given to pay them until April 23, and then we close the books.

What the previous amount boils down to is that we ended up the year with cash requirements of \$1.889 billion. Had we not made the entries for the \$43 million, we would have ended up the year with cash requirements of \$1.932 billion. We are budgeting for cash requirements of \$1.230 billion, and had we not done what we did, the cash requirements would have been \$1.276 billion. In other words, in effect, we made provision to pay certain salary and benefits in last year, even though they weren't paid, due to delay in settlement. We will be paying these this year, but they don't reflect in the books for 1975-1976.

I couldn't agree more that it is a rather cumbersome method of doing things. On the other hand, the member who sits practically behind you was quite sure that we were going to have cash requirements of over \$2 billion. I recall the former Leader of the Opposition (Mr. Nixon) talking about \$2.1 billion, \$2.2 billion and \$2.3 billion, and I wanted to do my best to come as close to those figures as I could, and that's what attracted me to making this move on the \$43 million. I didn't want to see him as far out on a limb as he was.

Mr. Shore: Unfortunately, it still isn't clear, but I accept what has been said so far. I wish I could understand it a little bit better. I will after digesting it, unfortunately.

Could I now get an explanation of this: Of the \$171 million, \$40-odd million is accounted for by how you have explained it here now; but where is the \$120-some million? Is that relating principally to potential salary adjustments? Is that correct?

Hon. Mr. McKeough: It is very much part of it. I assume you debated it under vote 501, in Management Board; item 4, as I recall.

Mr. Shore: I am sorry, I wasn't here for Management Board debate.

Hon. Mr. McKeough: Those funds have actually been at vote.

[3:30]

Mr. Shore: Do the expenditures relate substantially to the 1975 fiscal period?

Hon. Mr. McKeough: The \$43 million was; the rest of it wasn't. The \$128 million all applies to this year, the year beginning April 1. The \$43 million applies to the year ended March 31.

Mr. Shore: I see. The money is for contracts that are in process of negotiation—

Hon. Mr. McKeough: Arbitration.

Mr. Shore: —but does not relate to anything prior to April 1, 1976. Is that correct?

Hon. Mr. McKeough: Yes, \$43 million of it.

Mr. Shore: Now, I appreciate the point that you make, but the \$128 million—

Hon. Mr. McKeough: That's all for the coming year.

Mr. Shore: —is in anticipation of what you might have to pay under terms that haven't been settled yet. Otherwise, they would have been allocated to the right—

Hon. Mr. McKeough: Yes, that's right. You see, other years these things have been settled before the end of the fiscal year; I'm sure the Chairman of Management Board (Mr. Auld) said this—

Mr. Shore: I am sorry, but I wasn't here.

Hon. Mr. McKeough: —or most of them have been settled. This year, because the whole shooting match, 55,000 people, are in arbitration, it wasn't settled; and I think it would have been very wrong to bring estimates before the House which were under by some \$100 million.

Mr. Shore: As long as I clearly understand—

Mr. Chairman: Obviously the sums of money that the hon. member for London North is talking about aren't appropriately before this committee. They were discussed in the Management Board estimates, and if the hon. member wants further clarification, I suggest that he chat with the Chairman of Management Board about it.

Mr. Shore: Excuse me, Mr. Chairman. If I may have your indulgence for a minute, I have been advised by those from this side who were here that apparently this subject never came up. If you could just let me have one more moment, all I really want is to be totally satisfied at this point that the \$128 million is totally for estimated—

Mr. Chairman: Surely it is not a question of whether it came up; it should have appropriately been brought up under the Management Board estimates.

Mr. Shore: I don't want to debate it, but if you will give me the privilege and the courtesy of getting that one question answered, I will be satisfied; rather than debating whether it should or shouldn't have come up, Mr. Chairman. You know, if you want to play the game about what's technically right or wrong, I apologize for not having got the information; but I am now asking for that information.

Mr. Chairman: Obviously, you have got to get it from the Chairman of Management Board and his estimates aren't before this committee. They have been passed by this committee.

Mr. Shore: I think somebody over there is prepared to answer my question. Are you going to rule that no one can answer me?

Mr. Chairman: You had an opportunity when those estimates were before the committee, and obviously you didn't take advantage of that opportunity.

Mr. Shore: I appreciate that, I wasn't on that committee, but are you going to rule—somebody apparently is prepared to answer, Mr. Chairman.

Mr. Chairman: It is a committee of the whole House—

Mr. Shore: It is a disappointment, Mr. Chairman, when there's so much time wasted here, that I could get an answer in a matter of 30 seconds. Really, it's a disappointment if you have to rule that way. I thought this was a more democratic—

Mr. Chairman: We would have to revert to the Management Board estimates in order for you to ask that question.

Mr. Shore: I simply asked the question; surely somebody over there is capable of answering it. I will abide by your ruling, but it really is a disappointment if you rule that way.

Mr. Chairman: It may be a disappointment, but the Chairman of Management Board has indicated he might be able to clarify the situation.

Hon. Mr. Auld: Mr. Chairman, if the hon. member would look at page 1796 of Hansard for April 29, in the second paragraph and further along, I explained as best I could the somewhat complicated situation. If he would read those two bits, they explain the \$171 million. If he still isn't clear, I will be glad to talk to him outside the House. I said it was terribly complicated and that it was the first time we were doing it. I tried to explain it because it can deal with two contract years and three calendar years. They are estimates based on what might come out of the arbitration.

Mr. Sargent: Mr. Chairman, with the greatest respect to the Chair, I am not too often in my place here, but the fact is I don't think, in view of the mess this government is in, that the Chair should seek to keep members of the opposition from gaining all the information they can get.

Mr. Bain: You are keeping the government there; don't blame the chairman!

Mr. Sargent: Whether or not a vote has been passed, information should be forthcoming from the Treasury, or any ministry, to members of the opposition.

Mr. Chairman: I want to make it quite clear to all members of this committee that there is ample opportunity to discuss any item when it is before the committee. It is inappropriate for any member, who has absented himself from the committee of supply, to come back in and say, "I wasn't here when this estimate was properly before the committee, so I want to waste the time of this committee doing it now." It is inappropriate, and if you want to challenge my ruling you are quite free to do so. The actual question that the hon. member for London North asked isn't being voted in these estimates.

Mr. Shore: On a point of order, Mr. Chairman, I don't want to challenge it at all. I made a positive constructive suggestion, and I must say that all I was doing is responding to something that was discussed in TEIGA estimates the other day. The Treasurer did respond to that. All I was trying to do here was to clarify it in my mind. I have no apologies for that and I respect your ruling.

Mr. Sargent: Mr. Chairman, across the free world, in many administrations it is the

practice and not the exception now, in view of the mess that governments are in in most every sector, that they resort to an outside audit of their affairs. You have, in this vote, an amount of \$139,000 for internal audit.

Today I was told by a top official in government in this province—he's in charge of the affairs of 300,000-and-some people—that there had been a payoff of \$9 million to a top Tory for land acquisition for the parkway belt west. This is not in this vote, but I am trying to say it took me a good two hours to get to the right person to find if this was true or not, and I still didn't find out, and here I am, about six hours later, and still I don't know. I asked a question in the House and no one laughed or laughed it off. The point is that we judge the position of everything from department to department.

It is most important—when we are talking to this first vote, on policy—that somewhere along the line the people of Ontario have to know that we are getting a square deal for our money, and I submit that we are not. When a member of this House sits here and can't get a simple answer after six hours, then how in the hell can the taxpayer in Grey-Bruce, or Ottawa, or Windsor, find out what is going on?

So I say to the minister most respectfully, in answer to your point, yes or no, why will you not allow an outside audit of the affairs of this province? Why not have an outside body find out just what is going on? Why are we in such a financial mess here, and what have you to hide? Let's have a look at it. Why can't we do that?

Hon. Mr. McKeough: Mr. Chairman, these are questions which might well be debated in the estimates of the Provincial Auditor, which are going on or will go on in another place. The fact is that everything we do is audited by the Provincial Auditor. I think you will find the internal audit in the estimates of all ministries. It is the staff who are assigned the specific responsibility of making sure that the expenditure of money does, in fact, conform with the amounts voted by the Legislature from time to time for specific purposes.

I have never heard any suggestion, frankly, that the province should replace the Provincial Auditor—who is a servant of this House and who answers to the House in his own estimates and who answers to the House regularly through the public accounts committee—with an outside auditor. I have not heard that suggestion before.

Mr. Sargent: Mr. Chairman, I have the greatest respect for the Provincial Auditor. I'm not suggesting that he has anything to do with anything that is irregular. But in view of the fact that other administrations are doing this—they find it fair to the public—why will you not resort to that?

Hon. Mr. McKeough: I'm not aware, Mr. Chairman, of any other jurisdictions which are not using a similar system.

Mr. Sargent: There are more than a score of American states who have outside audits of their affairs.

Hon. Mr. McKeough: It is not part of the Canadian tradition, and I doubt very much if this House would approve some sort of legislation—

Mr. Sargent: The opposition would approve, I'll tell you that.

Hon. Mr. McKeough: Oh, I see.

Mr. Sargent: I think I can say that—on behalf of eight million taxpayers who are taxed to the limit right now. Two years ago—and we're talking about the chief money man in this province, who sets the tune for what we have to pay—we had your budget come down and you put \$1.5 billion in that for land acquisition for a parkway belt. You put \$1 billion in it for Escarpment land acquisition. Today, when I ask, your top officials have never heard of that figure, but it was in your estimates two years ago. Now, if we're talking big numbers, who knows about these things?

Hon. Mr. McKeough: There is no money in these estimates, Mr. Chairman, for land acquisition for either the Escarpment or the parkway. They were in the estimates of the Ministers of Natural Resources and Government Services.

Mr. Sargent: Okay. I was advised this morning to work through TEIGA. I've talked to your man, Mr. Don Taylor, and after a lot of manipulation I found I should be talking to Government Services. They were acquiring land for the parkway belt.

Mr. Chairman: May we remind the hon. member we are dealing with vote 1001, ministry administration programme. The amount to be voted is 4.244 million. Now, if you want to talk about general policy, having to do with the ministry office, that's quite appropriate—

Mr. Sargent: That's what we're here for.

Mr. Chairman: —but you can't talk about the parkway.

Mr. Sargent: All right; we'll talk about policy.

Insofar as amounts of money have been budgeted for a certain ministry, I suggest to you this minister is the man you should talk to. He is the Treasurer of the Province of Ontario. If we're talking policy, as I mentioned to him the other day, we are losing at the rate of \$7 million a day in this province now.

I ask you, Mr. Minister, to think very seriously about this. I've spoken in this House for the last 15 years. And each time I have spoken—I know you never listen to my speeches and you're not missing very much—I've asked for an outside audit, to let the people of this province know exactly what you are doing, and you want to keep it among yourselves.

It is amazing to me that in the Province of Quebec the RCMP investigate everything that's wrong, the hanky-panky. In the federal government, the RCMP investigate everything that's wrong, the hanky-panky. But in the Province of Ontario, you people investigate yourselves—such as with the Fidinam Affair and the Moog and Davis hotel over there. You investigate yourselves. You investigate yourselves every time.

This is the time and place now that we're looking for dollars. Where are they going? We have the right not to take your word every time for it. It's our vote. We have the democratic right to say we want an outside audit to see what the hell is going on. You say no, you don't think the House would approve of it; we should trust our Auditor. Certainly I trust our Auditor, but I don't trust the Conservative Party the way you're playing this game.

Mr. Chairman, I say it is most important, in talking policy, that we have an outside auditor. I think it is time to approach the Leader of the Opposition (Mr. Lewis) and see if he'll go along on a resolution to that effect, in spite of the Treasurer.

Ms. Bryden: Mr. Chairman, I'd like clarification as to whether the expenditures of the Civil Service Commission come under this ministry. It's not in the index of the estimates, so we're a bit in the dark.

Hon. Mr. McKeough: That is under the Management Board.

Ms. Bryden: Could you tell me why it isn't in the index, so we will know next time?

Hon. Mr. McKeough: You will have to ask the Chairman of Management Board, who prepares the index himself. I have no idea.

Vote 1001 agreed to.

On vote 1002:

Mr. Chairman: Vote 1002, Ontario Economic Council.

[3:45]

Mr. Bullbrook: I don't want to speak about the Ontario Economic Council; I want your guidance in connection with these estimates. I'd like to involve myself in a discussion of the application of the anti-inflation programme to the LLBO and LCBO employees. I would like to know if you feel there is any vote under the Treasurer's estimates relative to that matter.

Hon. Mr. McKeough: There is none under my estimates pertaining to the LCBO employees. I don't suppose there is a vote particularly in anybody's estimates other than the main office vote of the Minister of Consumer and Commercial Relations, through whom the two boards report to the Legislature.

Mr. Bullbrook: I'm appreciative of your comments but if you would indulge me for a moment, the problem I have is that I felt the Treasurer to be the minister most appropriate for the implementation of the anti-inflation programme since he was the minister who set out the guidelines as far as the province was concerned. It's the execution of the agreement and, therefore, the purported severability of the arbitration award from the collective bargaining agreement between the association and the government which put the present employees in this difficult situation.

Mr. Chairman: If the hon. Treasurer has any place in his estimates under which he would care to discuss them and the committee agrees, all right, but it's certainly not appropriate to bring it up under item 1002 which is the Ontario Economic Council programme.

Mr. Bullbrook: I realize that and the reason I'm asking for your indulgence is, as you recognize, there are two committees concurrently sitting with the House and we have to be out for a time. I wanted to ask this question. I take it, then, that there is no vote under the Treasurer's estimates that is directly applicable to the anti-inflation programme?

Mr. Chairman: He has indicated that.

Mr. Bullbrook: Thank you very much.

Hon. Mr. McKeough: Mr. Chairman, I think it is either Consumer and Commercial Relations or, perhaps, the Management Board. It really isn't here.

Mr. Shore: Mr. Chairman, in relation to item 2, vote 1002, the Ontario Economic Council, I would be interested in knowing the judgement of the Treasurer as to how effective the Ontario Economic Council has been as far as he is concerned, to what extent his ministry is looking at its submissions and weighing them in policy decision-making, and how it relates to policy formation of the government, particularly in relation to the changing position of the Ontario Economic Council. Two years ago its actual budget was around \$530,000 and for this year its budget is anticipated to be \$852,000 showing at least a 60 per cent increase.

I would like to hear the Treasurer's observations as to what the cost benefits may be, if any, in an increase in the Ontario Economic Council's budget of up to 60 per cent? What does he perceive its change in role, if any, to be?

Hon. Mr. McKeough: Actually, it's down this year, as the member will have noticed. I think it's fair to say that at the time—I wasn't involved then. I was involved in it four years ago, I guess, to some extent, although at that point the Ontario Economic Council was in the estimates of the Ministry of Industry and Tourism and reported to the Legislature through that ministry.

Five years ago, a very distinguished Canadian, Dr. Gillies, assumed the chairmanship and came to certain conclusions as to what the council would or wouldn't do. Before the 1972 federal election he resigned.

Mr. Breithaupt: Whatever happened to him?

Hon. Mr. McKeough: He has been proved so right in terms of wage and price controls that you, of all people, should not have asked that question. You have so much egg on your face on that issue in the Liberal Party that it's sort of pathetic.

Mr. Shore: What's this?

Hon. Mr. McKeough: I had hoped you wouldn't bring that subject up because you, of all people, should understand the depth of your embarrassment on the issue.

At any rate, after that—I wasn't involved—Prof. Reuber became the chairman and he laid out for the Premier and then the Treasurer a five-year plan of where they hoped to go and what they hoped to accomplish. I think implicit in that was taking budgetary positions roughly and subject to review by Management Board and subject to review by the responsible minister of the day. They felt that to do what they would like to set out to do their budget would go from about \$500,000 to \$1 million over that period of time. That's the programme on which they've been working. I believe their request was very close to \$1 million and we cut them back in our estimates process to \$852,000. I don't think that figure was altered by Management Board, as I recall, but they didn't get all they really had hoped to get.

The assistant deputy minister points out to me that this year reflects the same constraint as others, a reduction from \$889,000 actually to \$852,000 which is \$37,000. In fact, they were cut back last year by \$52,000 to \$852,000 by the supplementary actions which were taken in mid-year. They've been constrained along with everybody else. However, that wasn't the member's basic question.

The basic question was, for very close to \$1 million are we getting our money's worth? I think that's a very difficult question to answer. Forgetting how the Ontario Economic Council was conceived and brought into being, I can only speak as to the direction which the Premier and cabinet thought it should go four or five years ago with which I fully concur. Unfortunately most of the economic research in this country, using that term broadly, tends to be done on a national basis. In fact, the independent research organizations, the Conference Board, the Howe Institute, the Institute for Research and Public Policy and Simon Fraser Institute in British Columbia are all located other than in Toronto.

That doesn't present an insurmountable problem but it intensifies the fact that their focus is on the country, and perhaps properly so, rather than on the regions of the country and, in our case, Ontario. Three of the five chartered banks at my request a year ago in our pre-budget discussions with them attempted to be more specific in terms of forecasting and in terms of numbers generally with respect to the Province of Ontario, which was most helpful.

What I'm really saying is that the Economic Council is one check or balance to Treasury, Economics and Intergovernmental Affairs. I

would not concede for one minute—and I said this in my opening remarks—that we have anything but the very best of staff in Treasury, particularly in the whole economic area, the forecasting area, but there really aren't any outside agencies who are probing, if that's the word, or testing or jabbing a bit at the wisdom, brains, intelligence and native ability of the people who work in Treasury.

The Economic Council can be, and I hope is, one such instrument. When they criticize us, I say amen and hallelujah. We do want some independent advice and some independent thinking. I think they are a capable board of directors, and executive committee broadly representative of the province, directing a certain amount of research and going over that research. They prepared last year six controversial papers and sponsored a very excellent one day seminar.

In other words, we're developing something in Ontario which is independent from government, to our chagrin and our embarrassment at times—and so be it—but which is a bit of a foil to what we have in our own resources. I think that is worthwhile.

Let me go a step further. My hope would be—I think this is Prof. Reuber's hope and that of other members of the council—that if they achieve a degree of professional success or acceptance, and that is very much what they are working on, it would probably be reasonable to assume they may then be in a position—but only then—to become truly independent and not 100 per cent dependent on funds voted by this Legislature and, in effect, approved by the government of the day. I think that is Prof. Reuber's hope; it was Dr. Gillies' hope.

Certainly it is my continuing hope that, given three or four years of really good work and professional expertise, they would be in a position to go public, to go to labour, to business and to the banks and say "We think it's worthwhile having somebody being a foil to the Ontario government, checking on what it is doing. We think a higher degree of independence can be achieved if part—perhaps all but at least part—is funded separate and apart from the government."

The Bureau of Municipal Research to some extent plays that role—not to some extent. It plays that role very well in terms of the City of Toronto and Metropolitan Toronto; to some extent the province as a whole. It's spreading out. We fund it a bit. For a long time it wouldn't take money from either the city or Metro or us. Unfortunately, for some reason the contributions fell off or the pro-

grammes became more expansive and the bureau members decided they needed some government help. We now give them \$25,000 a year which I am delighted to see paid out because there is an independent organization which, again, is a bit of a foil and a bit of a check on some of our experts in another branch completely of Treasury and in other ministries of the government.

That is the long-term goal. I am not competent, I think, to answer your question and say we are getting reports which are of a calibre or level of expertise or research and depth which warrants the expenditure of that kind of money. I think ultimately we will get that kind of professional comment from the profession out there which will give us that kind of feedback.

From what I have seen in the year I have been back in Treasury, I would have to say that despite their potshots at the government—there have been several of them—I am delighted that they are doing their thing and are being as visible about it as they are. I think those are good signs.

Mr. Shore: Mr. Chairman, I would like to make clear that as I see it that the minister is consistently talking about his restraint concept and that in this vote the estimates for 1975-1975 was \$889,000 and anticipated 1976-1977 is only \$852,000, therefore there is likely to be a \$37,000 drop.

I think it should be understood and clearly on the record that I have had an opportunity of going through all the TEIGA estimates and you must look very clearly at the actual figures for 1974-1975 to get a real picture of what has happened over the last couple of years. Although there may be some suggestion that there are some changes this year compared to last year I must stress that until I know what the actual 1975-1976 is as opposed to the estimate, I can't be satisfied as to whether or not there is restraint.

Even without that information, I think it should be on the record that if you look at most of these votes, you will see substantial increases between 1974-1975 and estimated 1976-1977. We must be very careful and cautious and not get carried away with this restraint concept.

[4:00]

Hon. Mr. McKeough: Mr. Chairman, just to answer that question, I know the member doesn't want to believe the figures because he spends so much time looking at Ottawa figures which just go up. Ours come down, and he can't understand that, being a Grit.

The actual fact is that in 1975-1976, because of the restraints and the cutbacks proposed in this particular vote we can't give this information for all ministries or all votes yet. But in this particular vote and item they were constrained, as was everybody else, starting in July, 1975, and they spent \$852,700. Therefore, in 1976-1977 they are being allowed no growth for inflation, and in fact are being asked to eat inflation—which, is the expression used.

Ms. Bryden: Mr. Chairman, I have grave doubts about whether we should be voting close to \$1 million at this time for the Ontario Economic Council programme. It seems to me this is a case where we should be looking very closely at priorities and deciding whether it is more important to maintain this kind of research or whether we should be using the money for some of the services that have been cut back very severely, such as social security and assistance to children and homes for the aged, or whether there should be more money available for the municipalities to forestall the huge property tax increases that are coming. It seems to me this is an item that is definitely in the category of ones that should be reviewed this year and possibly considered for much more substantial reductions.

I think we all are in favour of research, as we are in favour of motherhood. The more we know about any subject, presumably the fewer mistakes we'll make. But this kind of research, that is not related directly to government policy making, is perhaps something that should be carried on by universities and by non-profit, outside research organizations of the kind the minister was talking about. Whether we should be providing the seed money to help such organizations get going is another question. But I question whether it is a priority at the moment, particularly when I look at some of the studies that the Ontario Economic Council is planning for the next year or two, or which it is just bringing out.

They've just issued a leaflet of some of their studies that are about to be released. One of them is on the effects of energy price changes on commodity prices, interprovincial trade and employment. This study starts with the assumption that there will be a 100 per cent increase in energy prices. To me it is really shocking that we should accept that premise, especially in light of the profits of the oil companies.

I know we can't do too much about what the OPEC companies will charge us but we do have our own oil and natural gas which

we can develop. I don't think a study based on that premise is really what we want at the moment.

It comes up with the conclusion, according to the brochure, that petroleum and natural gas prices should remain uniform throughout Canada. That is a principle that I think a lot of us would support. But it does not come up with any position, apparently, as to whether that price should be the world price or whether it should be a somewhat lower price which would be desirable in this country when we think of the absolutely tremendous effects of energy price increases on our whole economy, on our exports, on heating in this very cold country, on our transportation problems and so on. That is one study where I wonder whether it is really keyed into how we are going to meet the energy crisis in Canada.

Another study is dealing with tariff and science policies. It deals with the question of whether economic nationalism policies will be, in the long run, good for the economy. But it's basically dealing with federal policy. They make the tariff policy and they make the science policy to a large extent, although I think the province could do more to assist research and development by industry and by universities. Again, I question whether this kind of study is what the Ontario government should be spending its money on at the moment.

There is another study on property crime in Canada, which perhaps indicates that the government in power here stresses property more than people. It is apparently more important to study property crime than to study the crimes of polluters who use their property to fill our rivers with waste that really destroys not only the environment but the whole economy as well.

Yet to come is a very intriguing title: A Study of "A Theory of the Expenditure Budgetary Process." We would be very interested to know whether the Conservative government has a theory of expenditure. From observing it, as I had mentioned in my budget speech, it seems to be one of wild spending before elections and cutbacks after elections—cutbacks affecting the people who can least afford to have their services cut back, but not cutbacks of a significant nature in things like the Ontario Economic Council; nor cutbacks in the Premier's office, which I understand has gone down from 62 to 61 people in the last year.

I question really whether the council is asking itself the right questions and trying

to answer those. In my opinion, the questions it should be looking at are, "How can we create more jobs in Ontario to overcome the growing unemployment?" Our unemployment rate went up last month in Ontario. In April, there were 249,000 people out of work, for a rate of 6.4 per cent. That is the unadjusted figure. The adjusted figure is 255,000, for a 6.5 per cent rate.

The council should be addressing itself to the development of an industrial strategy for Ontario. How can we use our resources, our lumber and our minerals to develop our economy? There was a question answered in the House the other day that showed that these contribute only 10 per cent to 15 per cent to our employment, to our shipments and to our economy.

Another question is, what we are going to do about providing housing at reasonable rates? How are we going to do this? The reports that have come out so far have stressed that it should still be left to the private sector; in fact, there seems to be a bias in the Economic Council's report, that you generally leave things to the private sector. You might have rent supplements as a form of subsidy if the private sector can't produce housing at an affordable price; but until you have some control over rents, you are just putting money into a bottomless pit, and until you have some plans to increase the supply of moderate priced housing, you will be supplementing very high-priced housing.

Another question that they should be addressing themselves to is not how to shuffle the welfare dollars around so that presumably the dollars go to the people most in need—although I think that is an important point—but how to get people off welfare. That is much more important than just shuffling the existing dollars around, because the people will be self-supporting, they will be taxpayers and so on.

A fifth area that the council has not been addressing itself to is the question of tax incidence. The Smith committee, as one of its major recommendations nine years ago, when it did a study of tax incidence, recommended that there should be an ongoing study of tax incidence in this province; that we should know who is really paying the taxes; that we should know, when the property taxes and the OHIP premiums are increased, who is really paying the shot in those cases.

On the whole question of northern development and regional development, the Economic Council has not produced specific

plans for those regions. I know it has done some regional studies but we need studies that will show how we can replace imports with production in Ontario, how we can use our resources and how we can see that those outlying regions are developed. We need a cost-benefit analysis of the industrial incentive programmes which the government has tried over the years as its answer to unemployment and to lack of development.

We've had all these programmes of the ODC and of accelerated depreciation and of reduction of sales tax on machinery and equipment and so on, but we have never yet had a study of how many jobs were created by each of those programmes. In fact, this is one of the areas where I am most critical of the Economic Council. They do not appear to go in for enough original research, taking a problem and actually making surveys of their own or making studies of their own. They tend to use more secondary sources. I think some of their studies are very useful compilations of the information available in the field and of the various proposals that have been made, but in the long run they are not doing the nitty-gritty of research that this government needs to guide it on how to meet these problems.

This is where I think we are lacking. If we have \$852,000 to spend, it seems to me what we need is not an independent outside research body that does studies, but an economic planning council for this government which will be working to solve those problems that are most urgent and that this government has not been attacking.

Therefore, I find it would be difficult to support this particular item unless the minister can justify to us how he thinks that the \$852,000 will really help him in solving the economic and social problems of Ontario.

Hon. Mr. McKeough: Mr. Chairman, I couldn't help but think the member doesn't think we're getting value for our money. She started off by saying that this was something that should be reduced in time of constraint, and then proceeded to describe a programme of some six or seven items which I venture to say, if we got into all those things, would cost five or 10 times the amount which has been suggested as being appropriate in this year's estimates.

I can't defend the decision that you do one study and not do another study. Perhaps on another occasion these estimates might be before committee and the Economic Council members themselves could give those kinds of specific answers as to why

they are looking at some things and not at others. The member said this is perhaps too much in a year of constraint, but then added, "Let's do more original research," and I just don't think things can wash that way and that easily. She wants more science policy. She wants us to spend more money on research and development, and obviously she doesn't like what they're doing.

Make no mistake—I make this final comment—the member suggested it was going to turn into some sort of an economic planning council for Ontario, and that is not part of their terms of reference nor is it part of the philosophy of the government of Ontario that we're going to have that kind of a planned economy, much as my critic would like to see one.

Mr. G. I. Miller: Mr. Chairman, could the minister inform me, as a new member of the Legislature, how the members are selected for the Economic Council, and who are they? [4:15]

Hon. Mr. McKeough: The members are appointed by the Lieutenant Governor in Council. The latest list contains the date of their original appointment, and of course a number of these have been reappointed from time to time, but there is a turnover. I believe the three new members appointed this year are all brand new.

Going back, Mr. David Archer, who is known to some in the Legislature, was appointed in 1962—I guess this membership is as of March 31—as well as Mr. R. G. Hill, vice-president of the International Union of Operating Engineers. Mr. Douglas Gibson, an economist, was appointed in 1963, and describes himself as a financial and economic consultant. He was, in fact, with the Bank of Canada or the Economic Council, is chairman of Consumers' Gas among other things at the moment, and director of a number of corporations. He is an economist with a background I think in the federal civil service, but I am not sure of that. Mr. G. L. Reuber, the chairman, was appointed in 1973. He is a vice-president, academic, I think, at the University of Western Ontario.

Mr. Shore: Yes, he is vice-president.

Hon. Mr. McKeough: In 1973 a list of people were appointed. They include, Mr. Bates, executive director of the Canadian Council on Social Development; Dr. Elizabeth Gullett, associate professor and acting chairman of the Department of Consumer Studies at the University of Guelph; Mr. H. C.

Hatch, chairman, I think, Hiram Walker, Gooderham and Worts; Mr. E. L. Hollingsworth, well known to members from northern Ontario, and vice-president Sault Mill and Lumber Co. Ltd.; Mr. Lorne Lodge, president and chief executive officer of IBM; Mr. W. F. McCormick, Cambridge, president of Glen Highland Holdings Ltd.; Miss J. C. McKibbin, administrative officer with the London Life Insurance Co.; Mr. J. T. Pennachetti, chairman of General Concrete of Canada Ltd.; Dean A. E. Safarian, University of Toronto; Mr. W. C. Wilder, now with Canadian Arctic Gas; Mr. Lynn Williams, director of district 6 of the United Steelworkers; Dr. D. M. Winch, chairman of the department of economics, McMaster University; and Mr. D. C. Smith, head of the department of economics, Queen's University.

Mr. A. Stewart, appointed in 1975, is a farmer from Middlesex.

Members appointed in 1976 are: Mrs. Jalynn Bennett, an investment officer with Manufacturers Life; Mr. R. deCotret, of Ottawa, now president of the Conference Board in Canada, and Mr. H. F. Dougall, Thunder Bay, president of H. Fraser Dougall Co. Ltd., which is, among other things, the TV station.

That is the composition of the board. I don't know how many, but approximately 18 or 20.

Mr. G. I. Miller: Another question then in the same regard: Do they work on a per diem basis, and are they appointed on an annual basis, or what is the length of the term of office?

Hon. Mr. McKeough: I think they're now all appointed probably for a three-year term which can be renewed. They are not paid. They are paid any out-of-pocket expenses to and from Toronto or within Toronto but they are not paid per diem. The chairman is paid.

Mr. Makarchuk: I want to take some exception to the comments made by the minister that we would want the Economic Council to be a rigid, centralized body that would decide everything in the province. Far from it. Basically what we want is something that will provide some focus and some direction, some identification of the problems that are in the province so we don't have these rather chaotic situations which are created because of your fiscal constraints and restraints or because of your unwise use of the tax policy in things like the health field.

You can't say there is no chaos there, or you can't say you haven't got chaos in your

taxation policy right now when you turn it on one time and you turn it off again. These are the kinds of situations in which, with some reasonable planning, some group, perhaps independent of the government, could come up with alternatives, to be able to identify and focus, having some direction, some co-ordination and some sense as to where we want to go and how we're going to get there. This is what we're really trying to get at.

At this time the council really involves itself in an almost esoteric type of research which really at times is irrelevant to what's going on in the province. If you read particularly their housing report, I thought it really wasn't even related to what is happening in Ontario. Those are the kinds of things we take exception to. We feel the money in those areas is needlessly wasted.

I think there is room for economic planning in this government and there is room for some direction or indication so that we don't go from a swing one way to a swing another way and so on. It's not healthy for the minister and it certainly is not healthy for the province and it's not healthy for the people out there.

Mr. Shore: Would the minister explain the bulk of what the services are of approximately \$400,000? What are they going to be used for? What type of services are they?

Hon. Mr. McKeough: Largely they are for annual conferences, research seminars, \$28,000; printing of reports and so on, \$104,000; EDP for internal projects, \$21,000; and research associates, \$22,000. All that totals \$194,000; then totalling \$207,000 are the external consulting studies in the research area.

Mr. Shore: For these external consulting services they go to wherever they think they need to for that information, is that right?

Hon. Mr. McKeough: Yes. They don't require Management Board approval for the individual things.

Mr. Shore: What does the chairman receive for his chairman responsibilities?

Hon. Mr. McKeough: He gets \$200 a day.

Mr. Shore: Is the definition of a day if the council is sitting?

Hon. Mr. McKeough: No, the council doesn't sit that often. He is the chairman of the council. The council meets half a dozen times a year; the committees of the council meet more often than that. He is on all those

and he personally directs a great deal of the research himself.

Mr. Shore: What would he have got in honorariums or whatever you call it last year?

Hon. Mr. McKeough: I don't know what the last public accounts show but it runs in my mind that it's something in the neighbourhood of \$20,000. I don't know what it was for last year but we'll get that figure as soon as it is available. I would guess about \$20,000, perhaps a little higher or a little lower.

Vote 1102 agreed to.

On vote 1103:

Mr. Chairman: Central statistical services programme.

Mr. Makarchuk: On this particular item I am interested to know if the ministry at this time is putting out any leaflets or booklets indicating a sort of detailed breakdown on income distribution in the Province of Ontario such as the taxes paid by various groups in the province, donations and so on. There used to be a time when that information was available in one of the booklets that was provided to the members. It was in the back portion. It was rather interesting reading. But I haven't seen any of that kind of information being made available.

I think it could be very useful. Certainly it could be useful to the government but it's also useful to the members trying to assess the taxation, who is carrying the tax load, and certainly in terms of shifts in income in the province. Is that information going to be made available? I presume you have it on file some place. It's just that nobody seems to know where it is.

Hon. Mr. McKeough: There used to be a book called "The Ontario Statistical Review" and I think that is what the hon. member is referring to. It has been replaced by a two-volume book called "The Ontario Statistics 1975," which is on sale in the book store, I am informed. I guess they didn't table it here. If the member or his party research officers would like one we will certainly get it for them.

Mr. Makarchuk: Mr. Chairman, does this book have the income distribution factors involved in it or is it just dealing with vital statistics such as births, marriages, deaths, mortality rates and so on? Does it deal with the financial aspect? That is what interests me.

Hon. Mr. McKeough: Yes.

Mr. Makarchuk: Fine. Thank you.

Mr. Shore: If you look at these estimates in 1003, you quickly get the interpretation that there is a very major restraint programme going on. Firstly, I would like to ask the minister if he has available the actual for 1975-1976 on this item?

Hon. Mr. McKeough: Yes, \$1,446,800. This, of course, contains the data processing and this is an area which was heavily constrained—data processing generally—last July.

Mr. Shore: First of all, looking at this quickly, if you just look at the estimates and looked at the estimates for next year, you get the reflection that there is a constraint or a restraint or a hold or whatever it is. But if you look at the actual for a moment, it is still an increase in excess of 15 per cent from the year before; number one.

But I think it is more significant that just three years ago this section actually spent \$773,000. To budget \$1,600,000 for this year is really getting a more obvious overall picture of what is taking place. I can't overstress that when we look at these things we have to take this type of thing into consideration.

(Having said that, if you look at it in relation to just last year, you will note that most of the items in this programme for salaries, supplies and equipment have, to a certain extent, been reduced. The question that comes to mind is to what extent, if any, and how, have these economies purportedly been achieved? At what expense have they been achieved? If at no expense, then we must challenge or question what's been taking place over the last couple of years.

I would like to see again what the minister has to observe in relation to the trade-off of constraint and restraint as opposed to services rendered and how he would respond to that.

Hon. Mr. McKeough: The explanation of the decreases between the two sets of estimates would be a complement reduction arising out of the second one, arising out of the mini-budget constraints, each of those items—\$52,000, the restraint on recruitment applying to both bases; a vacancy allowance taken out of \$22,300; and the mini-budget constraints and so on \$12,700, for a difference between the two sets of estimates of \$139,000.

[4:30]

Mr. Shore: I haven't had the other part of the question answered. What effect are

these restraints, if any? I am questioning the restraints a little bit. To what extent have they affected the services rendered by this department or this programme in relation to TEIGA, or in relation to the other ministries which this section serves?

Hon. Mr. McKeough: I think we will not be able to be turning out as many reports in this area. We have traditionally turned out a number of them, not on a charge-back basis. We are now saying that if they want this information, we are going to have to charge other ministries or the public for it. It is not a bad exercise in itself because in my view, without mentioning a couple of reports turned out, I questioned the value of them. We are going to find that out. If other ministries don't want them, or aren't prepared to pay for them, then the reports won't be turned out.

Ms. Bryden: When I was making my reply in the budget debate, the Treasurer may recall that I asked him if he could make available to us and to the public generally, the figures on which he based his estimates of property tax payments in the Toronto area and in the province; figures which would show the correlation between family income and property tax payments and property tax credits.

He came up with a figure, in one of his presentations on the restraint programme, that a family with a \$10,000 income in Toronto was paying only \$370 in property taxes last year. I find this hard to understand.

It is very difficult for us to access this kind of figure without seeing the actual breakdown of property taxes paid according to family income for each municipality, and for the province as a whole, and also property tax credits granted according to family incomes. Otherwise, it is almost impossible to really judge the true incidence of the property tax. I just wonder if the statistical services are prepared to publish that kind of information, and are they even collecting it?

Hon. Mr. McKeough: It would not come here. It would be coming from, I guess, either economic analysis or, perhaps more likely, taxation and fiscal policy. They might farm it out, or be getting information from here, but they would be pulling it together. I remember that request, and I will check and see where it is.

I would suspect that what they may be doing is preparing it in some way for the member, or trying to pull it together in a letter or something for me as a reply. I think

it would be much better if the member would, and I am sure she could, and would like to, go over and sit down with them and see how they do arrive at the figures, rather than trying to put all this on paper.

Ms. Bryden: Mr. Chairman, I would hope the minister would consider it part of the statistical services to ultimately publish this kind of information for the province as a whole, and for each municipality—whether or not this is partly the Minister of Revenue's (Mr. Meen) responsibility. But I would like to see this kind of information made available. We cannot understand distribution of income in this province without these kinds of statistics.

Just one other question, Mr. Chairman: Could the minister tell us what the \$282,000 is for services under this vote?

Hon. Mr. McKeough: It is mainly EDP \$143,000; printing of the publications, \$36,000; temporary help, \$25,000. Most of it is computer time.

Ms. Bryden: Is this computer time from the Ministry of Government Services or is it from an outside computer firm?

Hon. Mr. McKeough: Almost all from the Ministry of Government Services.

Ms. Bryden: Thank you, Mr. Chairman.

Mr. Ferris: On the recoveries that you are contracting out I assume that there are reports being made by you. How do we bill those recoveries or how do we arrive at those? Do they include time of your staff in preparation? The recoveries are shown on the bottom, in the classification of \$10,000.

Hon. Mr. McKeough: Recoveries from other ministries—for statistical reports which would have been prepared, for which other ministries pay us—special runs of census data—something like that.

Mr. Chairman: Shall this vote carry?

Vote 1003 agreed to.

Mr. Chairman: Vote 1004, economic policy and intergovernmental affairs programmes.

On vote 1004:

Mr. Makarchuk: Mr. Chairman, I wonder if the minister could indicate if part of the responsibilities under this vote is the examination of the Syncrude project—whether you were involved in examining the relationship that existed between this province and Alberta, as well as going into some financial

aspects of the whole Syncrude agreement. Does this come under this policy or is that handled by the Ministry of Energy?

Hon. Mr. McKeough: Certainly we provided advice, but the questions should be put to the Ministry of Energy through the Ontario Energy Corp.

Mr. Makarchuk: When the initial decision was made to go ahead with Syncrude, was that made here or was it made by the Energy Ministry?

Hon. Mr. McKeough: It was made by the government.

Mr. Makarchuk: I have a feeling, Mr. Chairman, that this probably could be a good place to discuss it. There is a growing amount of evidence—

Hon. Mr. McKeough: With respect, Mr. Chairman, it is a voted estimate of the Minister of Energy; it is not an estimate of the Ministry of Treasury, Economics and Intergovernmental Affairs. I don't want to nit-pick but that is where it should be discussed.

Mr. Makarchuk: My reason for raising it here is that obviously there would have been some coordination of discussion between various governments—between this government, the federal government, probably the Alberta government and so on. There was a discussion involved but it was not under this department?

Hon. Mr. McKeough: That's right.

Mr. Makarchuk: Thank you.

Mr. Shore: Mr. Chairman, on this item—first of all, a general statement. I would like to know if I could find out the general process that the ministry goes through in arriving at policy decisions. Specifically, when they decided to increase the tax on cigarettes, for example, and not on other tobacco items, could they give me a comment on how they arrived at that type of decision? And any of the other policy decisions the ministry makes—what is the process they use to arrive at that?

Hon. Mr. McKeough: Next vote, 1005, item 2, fiscal policy.

Mr. Shore: Oh is it? Not on this one?

Hon. Mr. McKeough: Not on this one.

Mr. Shore: All right. You will try to remember that question?

Hon. Mr. McKeough: Yes, I am sure you will remind me.

Mr. Shore: Right. On economic policy then, could the minister tell me how many people are on staff in this section and the makeup of this staff? Are these people accountants? Economists? Lawyers? I don't know who else you would have in here. Could I have a breakdown of the makeup of that staff?

Hon. Mr. McKeough: There are 34 in policy planning. For most economics would be the discipline. There are 17 in economic analysis and I think those who are professional—obviously there are secretaries involved in this—the professionals are all or mostly economists. That's economic policies.

Mr. Shore: Is that the setup there? There are around 50 people there; is that what you said?

Hon. Mr. McKeough: Yes, that is what it totals.

Mr. Shore: Right. That would total \$1,168,000; is that correct?

Hon. Mr. McKeough: We've got it broken down a little differently. Let's do it this way—forgetting the assistant deputy minister—

Mr. Shore: It's \$1,168,000 in salaries?

Hon. Mr. McKeough: Yes, \$1,168,900 in salaries and wages for 50 people.

Mr. Shore: Thank you. I would like to relate this again to a two- or three-year period so we don't get carried away with this concept of what I consider to be partially unfair comparisons as we see them in the estimates book. Could I ask the minister, through you, Mr. Chairman, if he has, for example, the actual cost for 1975-1976 for this programme?

Hon. Mr. McKeough: I am getting it.

Mr. Shore: While he is getting that, could I observe that in this policy and intergovernmental affairs programme it would be interesting to note that in the 1973 fiscal year—three years ago—the actual spent in this programme was \$1,500,000. It jumped to an actual of \$2,800,000 in 1974-1975 from \$2,160,000 in 1973-1974 and it is now estimated at \$3,574,000. You can see well over a two times jump in little over a three-year period.

Hon. Mr. McKeough: Yes. The variable in this, that third item—if we are now on the third item—varies with the amount of the transfers which are listed on page G89. Those amounts do change from time to time and under the office of economic policy as well. The Institute for Research on Public Policy, for example, was a new item two years ago and a very large amount.

Mr. Shore: Yes. Thanks. Have you got the other information yet?

Hon. Mr. McKeough: On the intergovernmental affairs end of it, the biggest change is the \$215,000 which is in the estimates, I guess for the first time this year, for the intergovernmental conference secretariat. It has always been there but we are starting to pay our share of it this year.

Mr. Shore: That is that \$207,000 figure?

Hon. Mr. McKeough: That's right, yes.

Mr. Shore: But it was on last year, too, I see.

Hon. Mr. McKeough: It was on last year but we didn't pay anything.

Mr. Shore: That's why the actual—

Hon. Mr. McKeough: Agreement wasn't arrived at among the provinces or at least there was still—the actual amount spent for the office of economic policy was not the \$2,035,000; it was \$1,472,000. There were several items of constraint there which would apply—the freeze on hiring; the elimination of Ontario Economic Review; no payments to the secretariat; and no payments, I guess, actually last year to the Institute for Research on Public Policy.

[4:45]

Mr. Shore: Thank you. You were suggesting there was constraint. I guess part of the constraint last year was that you didn't have to pay \$207,000.

In relation to restraint for this year, if the actual last year was \$1,472,000 and \$2,234,000 estimated is for this year, I don't see any major constraint. Now, before you jump on me, I recognize that part of it is due to the fact that you're probably going to have to pay the \$200,000-plus; I respect that, but could we have some clarification on these three items: The Conference Board in Canada, \$100,000; Institute for Research on Public Policy, \$500,000; and the Canadian Arctic Resources Committee, \$25,000. I notice that they're in here at \$625,000 this year, while

they were in last year's estimates for a total of \$307,000, I believe. There's that variance of approximately \$300,000 plus, but there's still a very substantial increase over last year in that one section of this programme.

Perhaps the minister could enlighten me on that, and more particularly on the purposes and the commitments in relation to those three transfer payments.

Hon. Mr. McKeough: Which three?

Mr. Shore: I'm sorry. The Conference Board in Canada, the Institute for Research on Public Policy, and the Canadian Arctic Resources Committee. What do they do for us and what is our commitment there?

Hon. Mr. McKeough: The Conference Board in Canada is certainly the best known of the three. We made to them, I understand, a five-year commitment, but it is reviewable each year. The Conference Board in Canada is modelled after the Conference Board in the United States. What else can I tell you about them? They produce independent economic forecasts. As opposed to the Howe Institute, for example, they're much more concerned with numbers in forecasting, as opposed to opinions. I think that's a fair statement. They have a series of conferences, which are held several times a year; we receive membership in return for our contribution, staff attend, and we retrieve data from them. Again, they're somebody I've relied on for two years now in pre-budget discussions for their opinion.

Mr. Shore: Could I just interject here? Is this a type of organization in which all provinces are participating, along with the federal government, in funding?

Hon. Mr. McKeough: I don't know whether other provinces participate in the Conference Board or not. I would be surprised if they didn't. Some do, but not all, I'm told. Memberships are distributed around the ministries, and one complete service is made available to each of the opposition parties. How we ever approved that is beyond me.

An hon. member: What's it in there for then?

Hon. Mr. McKeough: That's not for the record.

Mr. Shore: We will give ours up.

Mr. Breithaupt: Very kind of you.

Hon. Mr. McKeough: You also wanted to know about the \$25,000 for the Canadian

Arctic Resources Committee. The committee, or CARC, was formed by a number of concerned Canadians—Dr. Chant played a role, Dr. Deutsch was involved, and others—who particularly concerned themselves early in the game as to the effects of development in the north; not just pipelines, but highways and a number of other things. They were concerned that the government of Canada, in particular, was not taking the necessary steps to protect the northern environment or to minimize the effects on both the natural and the human environment. They have concerned themselves somewhat with the native claims question, have sponsored a number of conferences, have produced a number of papers and intervened very early and, I think it's fair to say, very forcibly in the Berger hearings.

This is one in which I took an interest myself, as a matter of fact, when I was Minister of Energy, and I think I was successful at that time in convincing Treasury that they should pay for it.

Mr. Haggerty: You haven't got the run-around?

Hon. Mr. McKeough: Our interest is that we obviously have something to learn about the northern environment as it pertains to our own province. We have something to learn about native rights, land rights, and we certainly had a very large interest in oil and gas from the Canadian Arctic, and that was our particular interest. Now that committee, interestingly enough—well, I am not sure how much of that is public yet, but that is a grant which may not be made this year, as it turns out. They are increasingly of the opinion that they have done their job, that they have concerned other Canadians and they—

Mr. Haggerty: Is the report available yet?

Hon. Mr. McKeough: No, they are not preparing a report, they prepared a series of papers.

Mr. Haggerty: Are the papers available?

Hon. Mr. McKeough: Sure, they come out every month, or every couple of months; very excellent reports. What they have mainly done, of course, is involve themselves in the regulatory process, both before the NEB and before the Berger hearing. That is something which may not be done this year.

Now, what can I tell you about the Institute for Research on Public Policy—

Mr. Shore: Tell me about \$500,000.

Hon. Mr. McKeough:—which was a dream of the Prime Minister of Canada, it is fair to say. Mr. Ronald Ritchie was the first director. He left for other fields and has been succeeded by a Mr. Carruthers, who is well known to the members from London. He had formerly been on the faculty of that university, and then went to the University of Calgary as president.

Mr. Shore: Is that the law school dean?

Hon. Mr. McKeough: Yes, formerly. He was with the government of Canada and on the founding board, now chaired by former Senator John Aird, who would be better known to members in that corner of the House than members in that corner or this corner of the House.

Mr. Shore: I don't know him, though.

Mr. Good: Never heard of him.

Hon. Mr. McKeough: This was to be somewhat modelled, I think it would be fair to say, on the Brookings Institute. The Prime Minister of Canada, among others, asked that the private sector put up a certain amount of money as an endowment fund, that the provinces put up a certain amount of money as an endowment fund, and that the federal government would match the sum total of the two. It was originally to have been \$10 million, \$10 million, \$10 million; I am sorry, one-third, one-third, one-third.

The Province of Ontario agreed—I think committed is too strong a word—on that basis to go in for \$3 million over a period of years. We have paid to date \$1 million of that commitment. Other provinces have paid—I just saw these figures in their annual report, and I don't think we have got it in here. It came in just in the last couple of days.

Other provinces have obviously paid something less than we have paid, but about five or six of them have paid. The private sector has not come through, if I can put it that way, and that bluntly, and I suspect it is because they have not yet been sold. The federal government has done what it said it would do, and I think have put in to date about \$3 million. They have matched the provinces and the private sector.

I am not sure that this grant will be made this year. It is something which is presently under review, and I leave it at that.

Mr. Shore: You are saying you are not sure whether the province will make its \$500,000 grant?

Hon. Mr. McKeough: That's right.

Mr. Shore: Could you tell me, technically or otherwise, what is our real commitment? Do we have a legal commitment to this?

Hon. Mr. McKeough: No.

Mr. Shore: It is just if we are in the mood we pay it, and if we are not in the mood, we don't pay it?

Hon. Mr. McKeough: That's one way of describing it. I have suggested internally at this moment—this has not yet been conveyed to them—that we will not pay further amounts until the other provinces pony up their share and until the private sector ponies up its share. That is our recommendation on the matter to the Premier (Mr. Davis). I am not sure that he has written that letter yet, but I think I would be safe in assuming that that will be his position as well.

I do know it has been suggested by one of the provinces as a matter of discussion at one of the first ministers' conferences which are coming up at some point. There is concern in other provinces as well.

Mr. Shore: Just to carry this on, it may be a good area to look at from the restraint point of view, as opposed to some other areas. Leaving the rationale as to why you may not be contributing as the fact that you want to make sure the other contributing provinces are putting their fair share into it, which I think is also a valid point, equally valid and probably more important to me would be whether you are getting any value for the service rendered. I would want to place that as a first question. Whether the other parties or partners involved are contributing their fair share certainly is important, but I would want to know whether there is any value for the service rendered first. Then if I get a no to that then I don't care what the other provinces are doing.

Hon. Mr. McKeough: That's a very good point and that's the point we have made as well. In fairness, you are not going to be able to build this kind of institute overnight. They have produced really very little, I guess it's fair to say, to date. They have a number of studies under way. It is too early to make that kind of judgment.

Ms. Bryden: I would like to ask questions on both items 2 and 3, but I'll separate them though and deal with 1 and 2.

Mr. Chairman: Do you want to deal with 1 and 2 first; 1 and 2 combined and then 3?

Ms. Bryden: Item 2 is called office of economic policy. It seems to me that this is the item under which we should be discussing whether the government has an economic policy for dealing with that very high unemployment rate I referred to a few minutes ago—6.5 per cent of the labour force, 255,000 people, on the seasonally-adjusted figure. The minister may say you deal with it through fiscal policy, which is the next vote, but I think that fiscal policy has proved to be a dud in this attack on unemployment. Our rate has been going up steadily and both the federal and provincial governments have tried fiscal policies and have not succeeded in putting our people to work.

Certainly I find the rate of 6.5 per cent unemployment very unacceptable. The minister appears to accept the rate of 6.4 per cent in his budget. I would like to ask him if he does consider that rate an acceptable rate for Ontario. If not, does he have some policies in this particular office of economic policy? Are they working on developing policies to reduce this unemployment rate?

I don't think he can deny his restraint programme is contributing to the problem. The hospital cutbacks are throwing out of work a lot of people who have very little training or experience in other fields and who will need retraining. The other restraint programmes, particularly the restraint in the social security field and in the municipal field, are causing a lot of people who are disadvantaged to have less possibility of getting into the labour market. Provincial rehabilitation programmes will suffer. Work activity programmes will be cut back, if the municipalities are partly funding them. Any municipally activated programme will suffer.

Provincial restraint even reaches to Canada Manpower efforts to overcome unemployment because Manpower purchases courses from our educational institutions. The latter are having to raise their fees, so much in fact that I understand the budgeted increase for federal training programmes is virtually eliminated by this provincial fee hike, which means there will be no additional service, in spite of the additional need caused by the budget restraint programme.

[5:00]

It seems to me that under this vote there must be some planning of what to do about this unemployment problem. I wonder if the minister has looked at all at the rather innovative programme which the Province of Manitoba has put into effect to meet the unemployment problem. I would just like to

run very quickly through the three or four items that they are working on as their unemployment package.

In the first place, they are spending about \$45 million to \$50 million on direct job-creation activities. This includes a programme called PEP, which is a provincial employment programme. It's 100 per cent provincially funded, designed to alleviate cyclical and seasonal unemployment. Its target group is those whose skill or location causes them to be the first to leave the labour force in times of reduced aggregate demand. Funds are provided to municipalities, local groups, schools, farms, co-ops and so on. The jobs are in the main construction-oriented but with a little effort being directed to the creation of entrepreneurial operations so that they can become instantly effective. The mandate of this programme is to create jobs.

Second, they have something known as ACWP, which is the Accelerated Capital Works Programme. It's also provincially funded, although federal loans are also called on when available. Once again, the emphasis is on capital construction and immediate employment.

Then they have a programme called Special Municipal Loans and General Emergency Funds, which provides 100 per cent of labour forgiveness for winter projects run by the municipalities, and 60 per cent forgiveness for summer projects. This is a kind of disaster relief fund for municipalities with a high rate of unemployment which can produce programmes that need a fair amount of labour.

Fourth, they have the Manpower Corps, which provides projects to increase employment services in the field of counselling, placement services and family support. This gets people into the labour market and off welfare. It involves working with company personnel officers and company management in the development of programmes.

Those are four fields that might be studied for possible introduction here as means of meeting this very serious and growing unemployment problem in this province. The unemployment figure went up in the last figures, which were from April over March. It seems to me that is one thing that the office of economic policy must be spending part of its \$2 million on. I would ask the Treasurer to comment.

Hon. Mr. McKeough: First of all, the member is correct that this is the area, I think, of the ministry where economic policy,

on an ongoing basis, is studied and the appropriate policies are recommended or not recommended or attempted to be found. I should stress, and I hope I did this in the opening remarks, that these lines seem increasingly to be getting a little blurred. People I thought worked on economic policy sometimes seem to be involved in what I would have thought of as fiscal policy.

I think at one point, at one meeting on the last budget, there were people from three branches in the office other than from the taxation and fiscal policy branch. They used to—none of them are here; I can say it safely—guard the budget as though it was the holy grail and nobody else in the ministry was to know anything about what was going on in it. Those lines, I think it's fair to say, have blurred somewhat and that's one of the purposes of the reorganization of the ministry which I mentioned in my opening remarks, as worked out by the deputy minister and the assistant deputy ministers.

If I sound a little vague sometimes as to where things come from or go to, that's part of the reason. It's almost getting to be a collegial approach, which scares me somewhat. However, the beginning of the answer to your question is that if we were developing short-term employment strategy, this is probably where it would be coming from.

The simple answer to your question is that the office of economic policy, along with other parts of the ministry, recommended economic policy and policy actions, and the results of all that, tabled in the House on April 6 last, is the Ontario budget. Our decision was made at that time, and our decision has not changed since that time.

The member asked, do we accept 6.6 per cent unemployment in Ontario? I think that is putting it a little strongly. I think we have to remember that basically fiscal management and employment policy—if I can put it in that way—in this country rests, more than in any other place, in the hands of the government of Canada. Within our constrained fiscal position there is not much that we can do to overcome unemployment, which at 6 per cent admittedly is too high. We firmly believe, as expressed in the budget on April 6—and that is the economic policy of the government—that the best way of bringing that unemployment rate down—not overnight but over a period of time—would be increased activity in the private sector, not government make-work projects of any sort.

Mr. Makarchuk: One point that bothers me is that if this group recommends to you the various economic policies which even-

tually are manifested in your budget, then obviously they should be called the election-planning committee. The budget last year was designed not in relation to any economic policy, but more as an election gimmick. I would suggest that is is a mislabelling of this department and a misspending of the money.

Mr. Shore: Mr. Chairman, I just rise on—

Hon. Mr. McKeough: Let me be very clear—we are not on a budget of a year ago. I think it is fair to say that a year ago the office of economic policy felt that the economy needed stimulation. They may have had views on the best way to stimulate the economy. The recommendations as to how that's done if that becomes the policy, then comes in the next vote, in the fiscal policy area rather than in the economic policy area. I draw those distinctions because if you want to know who plots the election, I know that you want to be specific about it and tie it down to the exact branch.

Mr. Warner: It just coincided with the election.

Mr. Good: You said the fiscal policy.

Mr. Makarchuk: Mr. Chairman, on the same points, if you are going to have an economic group, surely the idea is that it has to have some direction—again you have to know where you are going, and they will probably try to provide you with the means of getting there. This is what I see that this group is doing. And if you look at the various problems—job creation, the environment, housing, the food lands, and so on—obviously you are not coping. It is either (a) these people are not dealing with them—which I doubt—or (b) you don't consider them as problems. If that is the case then Ontario is in a rather sad state.

It says here that there is a technical liaison with other governments on matters relating to economic policy. Was there any liaison between this government and the federal government at any time before the introduction of the anti-inflation measures? If so, was there any kind of direction from Ontario given to the federal government? Or was it totally on the federal government's initiative alone that the decision was made?

Hon. Mr. McKeough: The government of Ontario would never deign to give direction to the government of Canada—the language in which you might put it. Or they wouldn't have the good sense to take it, I guess might be another way of putting it.

No. To my certain knowledge, at at least two first ministers' conferences and one premiers' conference, I think it is fair to say there was a great deal of discussion about the problems of inflation and an urging of the government of Canada to take it in hand, recognizing it was a national problem. At the last two meetings specifically—one without the government of Canada and one with—there were indications that there would be the fullest possible support by the provinces if the government of Canada moved—without being specific as to how they might move.

Mr. Makarchuk: These discussions, Mr. Minister, then would be more or less policy discussions about which direction you were going to take. What I'm concerned about is whether, when the federal government was formulating the specifics of the anti-inflation policy—these would be the more technical discussions—were your people involved in those formulations or were they consulted? Did anybody ask them for any input into that federal initiative?

Hon. Mr. McKeough: I think “discussions” is much too strong a word—certainly at the political level and at the staff level “discussions” is too strong a word. Requests for information perhaps.

Mr. Warner: Consultation?

Hon. Mr. McKeough: No, not even consultation. Request for information. I remember hearing about some of these things afterwards, and immediately after Oct. 14 there were some very basic questions: How are doctors paid? Who sets their fee schedule? That sort of thing—a whole list of things. Some of that questioning undoubtedly went on beforehand at the staff level, but not at the political level.

Mr. Chairman: The hon. member for London North.

Mr. Makarchuk: Mr. Chairman, I'm not quite finished on this point.

In that case, Mr. Minister, obviously you had some information that the federal government would be moving in that direction or would be bringing in some type of anti-inflation legislation. Am I correct in assuming that? Because I don't expect to see your technical people or economists entering into negotiations and providing information without (a) knowing why they're providing the information and (b) feeding that discussion back to you. So can we assume that you were aware of the federal measures before the fact?

Hon. Mr. McKeough: Certainly. As my friend will remember, the whole thing was public all spring long in terms of the Turner proposals to management, to labour—who turned it down—among others, to the provinces. Our views were asked on the targets of the Turner proposal and then further requests for information flowed from that.

Mr. Makarchuk: That is not exactly what I'd like to know, Mr. Minister.

Hon. Mr. McKeough: If what the member is trying to imply is that this government, either politically or through its civil servants, had some say in the design of the programme which was announced by the Prime Minister of Canada on Oct. 14, the answer to that is a categorical "no."

Mr. Makarchuk: That is what I wanted the minister to say—either that he was involved or was not involved. If he says he wasn't involved, I appreciate that.

Mr. Shore: Mr. Chairman, I wasn't going to add any more to this section except for something the minister stated a few moments ago. Certainly I'm not going to defend the economic policies and fiscal policies of the government.

Mr. Laughren: I guess not.

Mr. Shore: The Treasurer has on occasion done that and he may continue if he wishes, but certainly I get sick and tired of consistently hearing about federal economic policy. We're sitting in a Legislature here now that relates to provincial policy, and I would like to just get this clarified.

Interjections.

Mr. Chairman: Order, please.

Mr. Shore: If the minister is suggesting that the Province of Ontario cannot in a major way have something to do with the direction and the thrust that this province wants to go and if he's suggesting that it's all dependent on what the federal government does and to external circumstances—incidentally, that's what this budget relates to substantially—if he means that, and I would hope he doesn't, we don't need all these highly paid people employed by him. We don't need it. We can just keep drawing statistics from wherever the sources are.

But if he means what I'd like to believe he means, that we can control our destiny, then we should have these people. I'd like

to hear what the minister has to say on that point.

[5:15]

Hon. Mr. McKeough: I think I will be realistic. There are some moves we could make, and we have made them in this budget. There are other moves which are obviously beyond our capabilities. For example, I have always questioned, as provincial Treasurer, the suggestion that we should roll in with a \$25-million or \$50-million provincially funded programme, as has been suggested, to fund work so that we will reduce the drawdown on the federal unemployment insurance fund. That, to me, is not a provincial role.

Mr. Haggerty: You have no responsibility?

Hon. Mr. McKeough: I didn't say that.

Mr. Chairman: The hon. member for Timiskaming.

Mr. Bain: Thank you very much, Mr. Speaker—Mr. Chairman. Well, I am sure that one day you will be elevated officially to the position of Speaker. You do such a fine job.

Mr. Chairman: Not in this chair.

Mr. Bain: Specifically, I would like to ask the minister exactly why the Canadian Arctic Resources Committee is going to cost us \$25,000? What does this committee do? Who is to be on it, and what do you expect it will accomplish?

Mr. Good: That was answered only 15 minutes ago.

Hon. Mr. McKeough: I answered that, I think, for 10 minutes, about three-quarters of an hour ago. If you want me to answer it again, it's your time.

Ms. Bryden: Mr. Chairman, I want to pursue a little bit more this question of whether Ontario can do things on its own or whether it has to wait on the federal government. I certainly don't think that it is a good reason, in terms of policy, that we should not spend money just to keep people off unemployment insurance. I think it is much better for people to be working, self-supporting and paying taxes, whether or not we are saving the federal unemployment insurance money.

Mr. Good: Just to make the feds look bad, you would have them unemployed.

Ms. Bryden: I would just like to ask the minister, now that this unemployment rate has reached 6.5 per cent and in view of the

fact that I understand the construction industry's unemployment rate in the city of Toronto is about 30 per cent—

Mr. Shore: Are you pro-Liberal?

Ms. Bryden: —whether he will not consider adopting one or two of those Manitoba initiatives, such as special municipal loans and a general emergency fund, to enable the municipalities to put most of those people back to work, both on summer and winter projects, in the municipalities that have high unemployment rates at the moment. We all know that they have had to cut back their capital expenditures drastically as part of the restraint programme, but it seems to me this is false economy if people are out of work and are having to go on welfare and unemployment insurance when we need a lot of the projects that were cut out. Therefore, I would like to ask the minister whether he is prepared to reconsider that part of his budget and make substantial funds available for both municipally operated capital works, and possibly some accelerated provincial capital expenditures, in areas of high unemployment?

Hon. Mr. McKeough: Not at this time.

Mr. Chairman: Shall vote 1004 carry?

Ms. Bryden: Is the minister not going to reply?

Hon. Mr. McKeough: You asked me whether I am prepared to make changes in the budget a month and six days after I brought it in, and in our policy, and the answer is not at this time.

Mr. Haggerty: I would like to direct a question to the minister concerning the \$215,000 for the Canadian Intergovernmental Conference Secretariat. Could he give us an explanation in more detail as to what this is all about, and what benefit there is to the Province of Ontario?

Hon. Mr. McKeough: We refer to this as the Henry Davis secretariat, perhaps somewhat irreverently—no, actually very deferentially—

Mr. Laughren: Make up your mind.

Hon. Mr. McKeough: —because Mr. Davis has done a rather fine job in our view over the years. In terms of the number of intergovernmental meetings, federal and provincial, which are now held, some of the provinces felt very keenly that the secretariat for those meetings should be provided, not by the government of Canada, and not by the

provinces for that matter, but should be provided independently. So there has grown up what is known as Henry Davis's secretariat, and we have supported it fully and said we were prepared to pay our share. I think the government of Canada pays half now and the other 50 per cent is paid by the provinces. I assume that our share, based on population, is 35.8 per cent of the expenses.

When those first ministers' meetings are held or a number of interprovincial meetings—the minutes are kept and the arrangements are made by Mr. Henry Davis's secretariat. He is in External Affairs now for a while, and all of us have a great deal of confidence in him.

Mr. Haggerty: Mr. Chairman, again to the minister, are these minutes available to the members of the Legislature?

Hon. Mr. McKeough: No.

Mr. Haggerty: Why not? You are spending public money.

Hon. Mr. McKeough: It depends whether it's a closed meeting or an open meeting. Obviously if they were closed meetings, as was the last meeting of the ministers of Finance, the answer would be no.

Mr. Haggerty: Mr. Chairman, again on this particular point, we're dealing with government policy. We can see a heavy expenditure all the way through here, but apparently the members of the Legislature are not permitted access to that information—which they should be.

Ms. Bryden: My first question on item 3 is with regard to the recommendation of the Camp commission for a \$2 checkoff on income tax for people who wish to support a political party. I think the idea was that you could mark which party you wished to support on your income tax form and \$2 of your tax would be sent to that political party by the federal officials. It's a very simple administrative procedure.

Every time we ask the Minister of Revenue (Mr. Meen) whether he is negotiating with the federal government to do it—at least in Ontario—he says he has nothing to do with tax policy. He says these negotiations are in the hands of the Minister of Treasury, Economics and Intergovernmental Affairs. This is why I am raising it under this item. We have not got an answer from the Minister of Revenue.

I would like to know: Has the government been negotiating with the federal gov-

ernment regarding the implementation of this recommendation of the Camp commission? We feel it would be an eminently sensible way of allowing people to make a small contribution to the political party of their choice, and make the parties less dependent on the big donations from big corporations.

Hon. Mr. McKeough: Mr. Chairman, government policy is agreeable to the suggestion, I think, without having formally approved it in any way. We have asked the Minister of Revenue to pursue it with the Minister of National Revenue, but to date there has been no success in those negotiations.

Ms. Bryden: Can you give us any indication of why the government of Canada is objecting to this? Do you think it's administratively difficult or that they don't wish to do it? It's only Ontario we're asking for. We're not asking for it for the whole of Canada.

Hon. Mr. McKeough: That's part of the problem.

Ms. Bryden: Could it not be done through the Ontario pink form on the income tax which doesn't affect any other province?

Hon. Mr. McKeough: You'll have to ask the Minister of Revenue as to what specific objections have been raised. But it's administrative, I think. Maybe it's philosophical too—I don't know.

Mr. Haggerty: One more question for the minister, concerning the Bureau of Municipal Research. I was concerned about the remarks of the member for London North when he mentioned the Institute for Research on Public Policy. The minister indicated that maybe this expenditure wouldn't be used this year on this particular vote. I was wondering about the particular field that deals with municipal research. I think they should have more money for research.

There are a number of difficulties facing the municipalities, and I can point to the transitional grants from the provincial government to the municipal governments. That always is a rather contentious affair with the two bodies of government. There are many things that they can do in this particular field and I'm sure that the municipal councils would like to see more research done in the field of local government.

I suppose that this is another area that you can cover in some of your views on regional government, too. I don't know if this would include some of the present

studies being carried on in the Ottawa-Carlton area—was it by Prof. Mayo?

Hon. Mr. McKeough: No. This is a specific non-profit association, located in Toronto, which has been around for a long time. It was privately funded for a very long time and, for two or three years now, we have been assisting in its funding. I don't know whether they have asked for more than this. But their entire budget isn't that large. I would guess it would be several hundred thousand dollars. I wouldn't want to see us getting more involved. But they do very excellent work; mainly to date with respect to Metro and Toronto. I am aware that they are now looking also for private sector support in a couple of cities, one in Ontario, and I think the mayor of London has gone on the board of the Bureau of Municipal Research. I don't know whether London is contributing an amount or not. They are also doing some contract work for municipalities which municipalities would pay for.

Mr. Haggerty: I want to pursue this a little bit further. No doubt they are doing an excellent job in certain larger communities throughout the Province of Ontario. I am thinking about the smaller communities, the smaller towns and villages. Perhaps I can relate to some comments on this proposed bill to establish the community self-government bodies in northern Ontario in some of these communities that have no government whatsoever.

Hon. Mr. McKeough: You are really stretching it a bit if you wanted to talk about—

Mr. Haggerty: I am stretching it a bit; there is no doubt about it. I want to get the minister's comments on the matter of local government in northern Ontario where it has been promised for the last couple of years by the minister. These municipalities are looking for the right of self-government in that particular area. What studies have been done or is this group doing, in this particular area then?

Hon. Mr. McKeough: Nothing.

Mr. Haggerty: Nothing?

Hon. Mr. McKeough: Not to my knowledge.

Mr. Chairman: Shall vote 1004 carry? The hon. member for Nickel Belt.

Mr. Laughren: Was the member talking about the minister's—

Hon. Mr. McKeough: No. Bill 102.

Mr. Laughren: Yes, is that the bill you were talking about?

Hon. Mr. McKeough: Yes.

Mr. Laughren: I understood that there was some work being done now from within your ministry.

Hon. Mr. McKeough: Oh yes, but not to my knowledge, by the Bureau of Municipal Research. Perhaps I could comment: I expect to be tabling a rather lengthy statement and report on Bill 102 within the next three or four weeks.

Ms. Bryden: It seems to me that under this vote intergovernmental affairs deals with the relationships between the province and its municipalities and that we could discuss the Edmonton commitment. I presume it may also be discussed under the municipal vote, but this is the broad relationship between the province and the municipalities. I would like to—

Hon. Mr. McKeough: It sort of puts a connotation on it that has nothing to do with money. Vote 1005 is a better place, but it doesn't matter to me.

Ms. Bryden: Is it your feeling, Mr. Chairman, I can proceed under this vote?

Mr. Chairman: The minister is prepared to deal with it under vote 1005.

Ms. Bryden: Vote 1005? I don't see it fits under 1005, with respect, sir.

Hon. Mr. McKeough: Under fiscal policy, or under the whole tax reform programme, which is 1007.

Ms. Bryden: With respect, I don't think it is just tax reform. It is the relationship between the municipalities and the province.

Hon. Mr. McKeough: If you want to talk about it here, then let's talk about it here.

Ms. Bryden: With regard to the Edmonton commitment, perhaps we should go back a little bit and look at it. It was first enunciated in November 1973 at the tri-level conference in Edmonton; that is where the name came from. The statement there which the then provincial Treasurer of Ontario, John White, made to the conference was a pledge of how Ontario would treat its local government with regard to financial aid. It followed after a long period of municipal and local government agitation for greater support from prov-

incial governments and federal government, too, because most of the problems and most of the costs seem to be at the local level, with the growth of cities, the growth of transportation needs, the growth of education needs and the growth of health needs and so on.

[5:30]

At the Edmonton conference, the then provincial Treasurer, Mr. White, pledged three things. I won't go into two of them because I am mainly concerned about the one with regard to the level of provincial assistance to local government.

The pledge was that such assistance should be at a rate not less than the rate of growth in provincial revenue. My first question is: Does the present provincial Treasurer still accept that particular version of the pledge which was that there would not be a ceiling on provincial aid to municipalities but it would be not less than the rate of growth in provincial revenues? That's question No. 1. I don't know whether or not the minister wants to answer that before I go on to the others?

Hon. Mr. McKeough: Obviously that is one interpretation. The interpretation, as I have said, is that we are going to continue to look at this on a cumulative basis over the three-year period since the commitment has been in effect, counting this year. We are honouring that commitment but I guess in two years out of the three we will not, on a individual year basis. We did not in the first year; we will not this year. We certainly did last year and on the three years we will be—the latest figure is—\$21 million ahead.

Ms. Bryden: Mr. Chairman, the minister hasn't really answered my question which was does he accept the phrase "not less than" which was in the original commitment?

Hon. Mr. McKeough: On a cumulative basis.

Ms. Bryden: It means there is not a ceiling on the commitment of the rate of increase in provincial revenues but that it should be at least up to that level. Does he accept that there is not a ceiling on it?

Hon. Mr. McKeough: On a cumulative basis, yes.

Ms. Bryden: With regard to that then, could he tell us at what stage, what point in time, the local governments were first informed that this formula was to be based on a sort of after the fact bookkeeping? I

think most of them understood when it was first made that whatever figure came out in the provincial budget for the estimated rate of provincial increase in revenues and, therefore, the estimated rate of increase in local government grants, that figure was the figure for the coming year.

Municipalities do need this kind of certainty. They do have to make their own budgets shortly after the provincial budget.

Hon. Mr. McKeough: The answer to the question would be that in March, 1975, I discussed with the fiscal arrangements committee, both before and after the budget as I recall, the fact that we would be paying out something more than the rate of growth because there was a deficit from the previous year.

Ms. Bryden: I wonder if the minister could let us have copies of that communication of March, 1975? I personally haven't seen it; I presume it went out to local governments—

Hon. Mr. McKeough: No.

Ms. Bryden: Was there a statement?

Hon. Mr. McKeough: There was a discussion before the budget and, as I recall, after the budget. I think the 1975 budget, of course, which would have been well circulated, had a breakdown of the Edmonton commitment and showed the previous years at that point still estimated at underpayment and the fact that there would be an overpayment in 1975-1976, and that the sum total of the two years would be that the commitment was being met.

Ms. Bryden: With respect, the 1975 budget, I think, said that it appeared that there had been an underpayment if you took the increase in provincial revenues as the ceiling and that the minister was giving additional moneys to municipalities. That was what he used as his justification that there had been what appeared to be an underpayment on the Edmonton commitment in the previous year. He did not say that if there had been an overpayment, it would be taken back in the following year.

This plus-and-minus accounting was not brought to the notice of the local governments until some time in 1975—and that's what I was trying to pinpoint, just when the local governments were notified and in what form in 1975. I understand that they were notified in November when the minister made his statement at the beginning of the restraint programme. But was there any

notification prior to November that there would be a deduction if more had been paid than would be justified by a formula based on the increase in provincial revenues?

Hon. Mr. McKeough: Not directly.

Ms. Bryden: Thank you, that was one point that I wanted to clarify.

The next point is, if we are going to have a plus-and-minus formula, is there not an argument for involving the local governments in the interpretation of that formula, as to which rate of increase of provincial revenue you take?

Do you take the one that comes out on budget night? Or do you take the one that comes out after all the books are closed, two years hence, and they work out some plus and minus, which may require a very large cutback—as has happened this year—and may throw all municipal budgets into a complete loop—as has happened this year?

Shouldn't there be some sort of floor on any plus or minus that you might consider taking back? Or preferably, shouldn't you really give them whatever you estimate on budget night is the amount they get, without any plus-and-minus calculations? It seems to me that gives the municipalities some share in the provincial Treasurer's forecast of how much revenue he is going to get. It protects them from any cutbacks he may make just prior to an election, as happened last year. They in effect share in the rate of growth of provincial revenues as forecast in the budget, and they can plan on that basis.

Would the Treasurer not consider sitting down and negotiating with the municipalities the interpretation of the Edmonton commitment on a more rational basis, with some sort of a floor under it? I am not sure that it should have a ceiling because it's possible the municipal expenditures may be growing faster than the growth of provincial revenues, and we may decide that they need the money for services more at the municipal level than at the provincial level.

In other words, is he prepared to make it much more of a partnership—which is what happens at the federal level? They sit down and negotiate to some extent the federal-provincial tax-sharing arrangements—

Hon. Mr. McKeough: You've got to be kidding!

Ms. Bryden: —but in this province we have never actually sat down with the municipalities and discussed the actual interpretation of the Edmonton commitment.

Mr. Shore: Mr. Chairman.

Mr. Chairman: The hon. member for London North.

Mr. Lewis: Are you speaking on this matter?

Mr. Shore: Yes. Mr. Chairman, I am going to reserve my right to speak on this matter a little more fully where I believe the vote really should be.

However, since the subject has been brought up, I just want to leave this comment on the table. This whole subject matter of the Edmonton commitment—or lack of commitment—is something that requires much more in-depth study. It has been talked about for many months, and we could debate it at great length.

I am satisfied in my mind—and the minister is probably satisfied in his mind, although I am more committed to my satisfaction—that the government has not met its commitment under the Edmonton agreement. Many people believed it was a commitment, leaving the technical aspect aside, and that it wasn't just a statement. The minister may be satisfied in his mind that he has met its terms, but the facts are that in relation to the people it was affecting, most of those people, at least, never understood it.

In my opinion many people understood it, and the commitment hasn't been made. Now, the minister can continue to state that he has, and he can continue to bring up the overpayment and the underpayment and all the other things. But the facts are as I read it—and as the facts are the most important thing—that the people who were being affected by it, certainly didn't understand it that way. That's really the important subject matter.

Mr. Lewis: That's fair.

Mr. Shore: I think the member for Beaches-Woodbine (Ms. Bryden) brings up a valid point which has been brought up many times before and I would like to hear the minister comment on it. I cannot understand why he would refuse to discuss this type of issue. It is so important a matter between municipalities and the province. This is a very important matter—why would he not want to discuss it? Not uniformly state what it is going to be, but discuss it in conjunction with these municipalities. The same minister is constantly ridiculing—rightly so in many respects—the attitude of the federal government relating to provincial matters.

Surely, if he believes that this interaction and partnership concept is important at the

federal-provincial level—forget how they are treating him and his government for a moment; that's an argument between those two—surely it is equally important, if not more important, that this relationship and constant discussion, review and debate should take place between the municipal parties and the government of Ontario.

Secondly, I want to put this on the table and I haven't had a satisfactory answer. With all the economists, the fiscal people, the planners and all the things I see here, I am not satisfied that the minister has given me any reasonable answer as to why we should not be able to do something on more than a one-year planning basis. Forget all the Edmonton commitments for a moment. Surely it is not unreasonable, even if the province doesn't want to do some multi-year fiscal planning, that if municipalities want to do it they should be given a positive support approach to it.

I don't want to hear necessarily that we can't commit the budget next year and so on. I've heard that. I respect that budgets can change; Lord only knows, we've had it changed regularly year to year. Surely a plan of attack with some thought and objectives could be presented so that the municipalities can establish priorities. I can tell you that if that type of programme were developed, you would get more return for your dollar. You wouldn't have to react continually to something. You would be able to plan it.

I would like to hear why the minister feels that this great province, with a \$12 billion budget, its imagination and its quality staff and 20 ministers cannot address itself to some type of planning on that basis.

Hon. Mr. McKeough: It is completely wrong to say that we don't. What utter nonsense to suggest that programmes which are introduced in the House don't carry forward. What you are attempting to say is that provincial support for education, for example, could change from one year to the next.

The fact is that the municipalities, with I would think a great deal of certainty, can count on what is going to be coming from the province to them, depending on equalization factors among other things. The rate of growth obviously is going to vary from year to year, and when major changes are made in grant programmes, in all ministries, those things are thought out year by year and discussed with them before those changes are made. To say that there isn't some certainty of what is going to happen from year

to year, in 90 per cent of the cases I would say would be completely wrong.

Mr. Shore: It is easy to say 90 per cent would be wrong. The facts are there has not been any planning. The minister himself has so stated in a public forum—when I asked why don't you believe in and why can't you do multi-year planning, the answer was no by the minister.

[5:45]

Mr. Chairman: Shall item 3 carry?

Mr. Shore: No.

Mr. Lewis: Just before item 3 carries, I was sitting in my office doing other things, listening to the debate taking place here in the Legislature, and I felt I wanted to enter for a minute or two on the question of municipal finance. It was being discussed at such a high level of financial integrity as though there was some consistent pattern to the premises which underlie the Edmonton commitment and what followed it, when in fact, and I think it is important that at least it be said again in this debate, that we are dealing with political decisions entirely self-serving, where the municipalities are manipulated at will for the purposes of government.

What is interesting at this point in time, in 1976, is the very strong sense among municipal leadership across the province, that they have not been dealt fairly with by the government. It may be in the mind of the Treasurer that he has given them cumulatively what they are entitled to; it may be in the mind of the Treasurer that he discusses with them before and after budget, what the implications of the budget will be; it may be in the mind of the Treasurer that he does multi-year planning by the simple reality that certain aspects of the budget perpetuate from year to year; but the truth is that, in an unprecedented way, for the first time in a very long time, even the Tory members of municipal councils right across the province are disheartened by the bad faith shown by government.

I don't think that is a particularly remarkable statement. I was at the Ontario Association of Small Urban Municipalities to speak at a luncheon no more than a week or 10 days ago. The vast mass of the audience, I am quite ready to concede, were Conservative and Liberal adherents involved in municipalities. A number of the Conservatives approached me, not pretending that they will discard the Tory party, but making it absolutely

clear that the fiscal arrangements they thought had been entered into were betrayed by this government. It had, in fact, shaken them significantly in this particular year.

To pretend there was some kind of financial and economic rationale to the Edmonton commitment which has been honourably adhered to is to stand logic and experience on its head. The Edmonton commitment that was made by John White in October of 1973 was a self-serving political decision. On the face of it, the "not less than" formula, which my colleague for Beaches-Woodbine pointed out, sounded reasonable, and at no time until the fall of 1975 was there the slightest hint to the municipalities that there would be some kind of recovery for a payment in excess of the rate of provincial growth in a previous year.

Anyone who wants to read the budget of March, 1975, will see, as the Treasurer has acknowledged, that you paid more than you need have paid. Nowhere during that budget address was there a suggestion that you would recapture money if you paid beyond the growth of provincial revenue; nowhere. Because most of us who have looked at that budget and previous budgets have scrutinized it carefully, and the first suggestion of taking back a so-called overpayment emerged in the fall of 1975 after the election campaign when you saw yourself in serious economic difficulty, and when you realized you were launched into the restraint programme with a vengeance.

So in order to justify giving the municipalities first between five and six per cent, then around 8.1 per cent, finally 7.8 per cent, you constructed a rationale based on a new interpretation of the Edmonton commitment. One of the funniest documents in municipal experience, and I would recommend it to everyone in the Legislature who has not yet seen it, is the January edition of *Municipal World*, 1976, in which there is a careful chronology of all of the interpretations, re-interpretations, and misinterpretations that have been placed on the Edmonton commitment by members of this cabinet from October 1973 to this present day. It was done in bad faith from beginning to end.

As a matter of fact, quite uncharacteristically for this Treasurer, he even indicated in the fall of 1975, when the first suggestion of overpayment was made, and in January and in February of 1976 when he was dealing with various municipal associations, that even though there was an overpayment, it would not be taken back in the fiscal year 1976-1977 because of the particularly difficult time

which the municipalities were facing. For him, in an uncharacteristic way I'd say, that public commitment was repudiated in the budget when he revealed that the tax increases would allow the province to recapture \$98 million of the so-called overpayment.

Right from the word go this whole business of funding the municipalities has been intensely political, related to the dates of an election and to the financial problems of the Treasurer's administration of the economy of Ontario.

The original commitment was made by John White. The words "not less than" caused you problems, and in a 1974 budget you took out the words. Then John White went to a provincial-municipal liaison committee in May, 1974, and said: "Let there be no misunderstanding, the words 'not less than' remain, that's our commitment."

Then in 1975, in the budget, you talked about the possibility of giving the municipalities more because you had a little more money. You never talked about the possibility of taking it back from them through any alleged overpayment. Because you had to cut certain taxes in advance of the election, like the sales tax in certain areas, you lost your revenue. As my colleague from Beaches-Woodbine pointed out, it's a hell of a way for the municipalities to budget, based on a revenue growth predicted in the budget of 1975 and then altered in the fall of 1975 because it didn't suit your political purposes.

The election campaign having been over and the Tories frantically casting around for a theme which would win the support of Ontario and re-engage majority government, stumbled upon restraint. Restraint had to be imposed upon the municipalities as upon all others. How do you bring the municipalities down from 12 per cent, 14 per cent, 15 per cent or more which you've given them in previous years to a level of eight per cent? Ah, hah! Suddenly the Edmonton commitment is to be interpreted in terms of overpayment.

I can see you chuckling in the senior aristocracy of your civil service and amongst your cabinet colleagues as you worked out the percentages which you could deduct from the various municipal grants in order to get you down to 7.8 per cent or 8.1 per cent—or whatever it ended up as, 7.8 per cent I guess it was.

I must say to you that never has there been an undertaking more politically motivated, more self-serving than the funding of municipalities in every sense. You change the

wording of the first commitment. You alter the commitment based on the needs of an election campaign before and after. You break your word, which is positively unprecedented.

I've very rarely seen the Treasurer break his word. He holds to it in a more foolhardy and relentless fashion than any man I've ever known. To say as a norm, to say in the fall of 1975 and in January and February, 1976: "We will not recapture the overpayment in the next fiscal year," and then to turn that around in the budget and to have to admit it, even for the Treasurer that caused a gasp of breath around Ontario amongst the municipal politicians.

Then, on top of everything else, you shift the regressive tax base in Ontario to the municipalities in order to get off the hook yourself. There is not a kernel of honour in the whole process from the Edmonton commitment of 1973 to what the municipalities are experiencing today. I don't think anyone should invest it with financial dignity as though it were part of a scrupulous formula on which you base a plus and a minus. My colleague from Beaches-Woodbine, God bless her, is such a first-rate economist as well as a member of the Legislature that she is inclined to view it that way, having accepted what the Treasurer says intermittently about how the formula was arrived at.

That's true. That's the way you're dealing with it now, but let no one pretend that was ever your original intention. Your original intention was to manipulate your money to the municipalities and you have done that artfully.

In the process, just as a footnote, just as an addendum, municipalities all across the province and municipal leadership all across the province are dismayed and disillusioned by the behaviour of the government. Although it is a matter of relative frivolity now, and although there's a lot of chest-beating when the Treasurer speaks to municipal officials, I for one am surprised at the depth of unhappiness which the municipalities feel as a result of your shift in policy.

Had you said to them, I suppose: "This is a time of restraint and we're simply jettisoning the undertaking we made," they may have understood that. But when you suddenly say to them: "We're reducing you to 7.8 per cent because of an overpayment, and despite what I said we're recapturing that overpayment to a level of \$98 million in 1976-1977"; then you say to the municipalities in no uncertain terms the provincial government works in bad faith, and they

look at you as though it's ridiculous when you go off to Ottawa and make exactly the same argument to the federal government as they have been making to you for the last several years, using precisely the same rhetoric.

If you say to the New Democratic caucus, as I suppose would be your inclination, that was another \$98 million which we needed and we weren't prepared to add to the provincial debt, obviously we can show you, by way of a natural resource tax or a point increase in the provincial corporation tax, where we would have had that money. It would have suited the government better to level with the municipalities about your change of heart in funding them than to have engaged in the duplicity which every single municipality I have talked to understands.

Those municipal leaders are not normally and naturally partial to the NDP, and I don't pretend they will be in the future, but they are incredibly angry and disheartened by the behaviour of the government in the last budget and in all the subsequent transactions. If you want to understand why you're still in trouble, even though you've employed restraint, then just look at what you've done

to the municipalities as well as what you've done to the small community hospitals.

There; the political interpretation is on the record as are the others. Those are things which we're watching throughout the province.

Mr. Chairman: Shall item 3 carry? Carried. This completes vote—

Mr. Shore: Hold on, what's going on here?

Mr. Chairman: I said shall item 3 carry, and that would complete the vote. I understand we're taking it item by item.

Mr. Shore: Mr. Chairman, would it be unreasonable or too much to expect, since you did allow it, and since the minister agreed to have it brought up at this time, that the minister would wish to comment or respond to some of the observations in this area?

Mr. Lewis: He already has responded.

Mr. Shore: No? He does not wish to respond.

Mr. Chairman: Shall vote 1004 carry?

Vote 1004 agreed to.

The House recessed at 6 p.m.

APPENDIX

(See page 2240)

Answers to questions were tabled as follows:

31. Mr. Angus—Inquiry of the ministry: Would the Minister of Industry and Tourism advise the sequence of events at Big Thunder Ski Jumps in Thunder Bay leading up to the awarding of a \$25,000 grant from Wintario to sponsor the recent international ski jumping meet on March 6 and 7, 1976 in Thunder Bay.

Answer by the Minister of Tourism and Industry:

One of the responsibilities of the Canadian Ski Association is to arrange for sponsors for two jumps in each season. In November, 1975, CSA advised that no sponsor funding could be expected for the international meet and due to its own budget cutbacks CSA could not meet this obligation. As a result Thunder Bay Ski Jumps Limited endeavoured to locate other sources of funding but due to the limited time available were unable to locate a suitable sponsor. As a result a request was made to the Ministry of Culture and Recreation by Thunder Bay Ski Jumps Limited for the ministry to share in the cost of the meet to be held on March 6 and 7.

48. Mr. Nixon—Inquiry of the ministry: 1. How many automobile dealers and salesmen were doing business in Ontario as of April 1, 1976? 2. How many are operating without valid licences because of delays in sending out proper renewals and new licences? 3. What is the reason for the delays?

Answer by the Minister of Consumer and Commercial Relations:

1. Latest records show dealers, 4,281; salesmen, 11,719.

2. No renewals of licence have yet been issued. There are approximately 60 motor vehicle dealer business applications awaiting processing, the oldest of which is dated April 6, 1976. Business applications are averaging 10-15 working days before applicants are advised of approval. This figure does not include those applications that are pending, awaiting further documentation or fees.

Total pending applications are approximately 92. Applications from motor vehicle salesmen are being processed within five days and total files pending amount to approximately 200.

However, section 7(8) of the Motor Vehicle Dealers Act reads:

Where, within the time prescribed therefor or, if no time is prescribed, before expiry of his registration, a registrant has applied for renewal of his registration and paid the prescribed fee, his registration shall be deemed to continue,

(a) until the renewal is granted;

Therefore, registration continues until the renewal operation has been completed.

Further, section 3(1) of the Motor Vehicle Dealers Act reads:

No person shall,

(a) carry on business as a motor vehicle dealer unless he is registered under this Act; or

(b) act as a salesman of or on behalf of a motor vehicle dealer unless he is registered as a salesman of such dealer and such dealer is registered as a motor vehicle dealer under this Act.

3. Central registration is in the process of being converted to computer control. A holdup in the computer programme was anticipated previously and a notice went out on March 22, 1976 to motor vehicle dealers, copy of which is attached hereto. Since the computer produces a certificate, until the technical operation has been completed, there will be a delay in the issue of the necessary licences.

March 22, 1976.

IMPORTANT NOTICE TO MOTOR VEHICLE DEALERS

We regret that due to a delay in completing our new computer system, 1976 renewal certificates of registration may not be forwarded to you for several weeks.

We seek your co-operation in keeping telephone inquiries concerning renewals and salesmen's transfers to a minimum.

P. T. Roberts,
Manager.

52. Mr. Worton—Inquiry of the ministry: With reference to the government's agreement with Essex Packers dated June 24, 1974, will the Minister of Correctional Services table the prior written approval called for in the agreement to show how the original alteration costs were increased from \$389,000? What is the final alteration cost; and if such cost was not covered by written approval from the licensor, is the difference between the terms of the agreement and the actual amount spent to be borne by the government in the form of a loss?

Answer by the Minister of Correctional Services:

The original costs for the alteration of the abattoir were \$389,000. The final cost of alterations was \$965,053.93, as reported in my statement of Nov. 18, 1975.

The cost increases result from the following factors:

1. Low initial estimate by the consulting engineers, occasioned primarily by the initial survey being taken, of necessity, before certain interior walls were demolished and the machinery was dismantled. Subsequently, it was found necessary to replace piping, ducting, etc., which had been covered by the walls and also certain parts of the refrigeration machinery.

2. After the initial agreement was signed, it was mutually agreed to increase the capacity of the plan from 1,000 head of cattle per week to 1,500 per week. This resulted in more extensive alterations than originally contemplated.

3. The sanitary requirements of the Department of Agriculture, Canada, especially with regard to interior finishes, were changed after the agreement was signed. These requirements also resulted in the construction of a separate building for storing and shipping inedible by-products.

4. The effect of inflation was very pronounced during the period particularly as it affected stainless steel.

The prior written approval took the form of a considerable volume of correspondence, between Essex Packers Limited, the consulting engineer and the ministry. I wish to emphasize here that the alterations were supervised by the consulting engineers, John Margison and Partners, and that the normal competitive bidding procedures were followed and were reviewed by the ministry's internal auditors. All invoices were certified by the engineers and payments by the ministry to Essex Packers Limited, additionally, were certified by a professional engineer on the staff of the ministry.

Since the total cost of the alterations is being repaid by the licensee at 12½ per cent representing capital and interest annually over the 15-year life of the agreement, there is no loss to the government as a result of these increased costs. The annual return on investment to the government, resulting from the cost escalation, is increased by approximately \$72,000 annually.

55. Mr. Haggerty—Inquiry of the ministry: 1. Would the Minister of Health please advise the number of abortions performed in Ontario hospitals during 1975? 2. What were the costs involved—in doctor's fees and hospital fees? 3. How many of these abortions were not a first time occurrence?

Answer by the acting Minister of Health:

1. There were 24,993 therapeutic abortions, an increase of 0.49 per cent over 1974.

2. Statistics in relation to physician's fees and hospital fees do not isolate the specific costs related to the services which might be rendered to a patient who has had a therapeutic abortion.

3. Not yet known. This information is submitted to the ministry by the hospitals, but it is passed on to Statistics Canada for compilation. When the compilation is complete, the coded tapes will be sent to us, at which time this question can be answered.

The 1975 statistics will not be available from Statistics Canada for another six months. In 1974 however, 7.3 per cent of patients having therapeutic abortions in Ontario had had a previous therapeutic abortion. Data prior to April 1974 are not available because this information was not collected.

64. Mr. Angus—Inquiry of the minister: Would the Minister of Culture and Recreation please table his definition of recreation and leisure and its perimeters?

Answer by the Minister of Culture and Recreation:

In May, 1974, at the first national conference for provincial recreation ministers which was held in Edmonton, Alberta, the following resolution was passed unanimously:

Because:

Society is rapidly changing and leisure time is increasing;

Recreation includes all those activities in which an individual chooses to participate in his or her leisure time of a physical, artistic, creative, cultural, social and intellectual nature; and

Recreation is a fundamental need for citizens of all ages and interests and is essential to the psychological, social and physical well-being of man;

Therefore, be it resolved that:

Recreation be recognized as an essential social service that falls within the constitutional jurisdiction of the provinces and territories.

My colleague, the Hon. Rene Brunelle, represented Ontario at this conference and endorsed this resolution.

Recreation is seen as an expression of leisure and is an essential, life-enriching experience. It is the medium through which the individual may improve the quality of community living.

Recreation has evolved through three different stages that can be clearly identified: To satisfy the need for recuperation from work so that productivity may be improved; to provide a reward for work or to provide satisfaction that is not found within work; to enrich life as an activity that is quite different and separate from work.

Even though these evolving ideas about recreation have changed with time, all three concepts still co-exist. Recreation is, therefore, seen as being something different, depending upon the objective or purpose assigned to it by an individual, a group or an institution.

Recently, leisure has been seen as an important social force that shapes an individual's attitude towards life. It is now seen by some as an opportunity, or a challenge, capable of moulding our future rather than a way of filling up free time.

Presently, then, two conflicting ideas affect the emerging definition of leisure: One involves the constructive use of free or discretionary time; the other is unrelated to either work or time and describes leisure as an experience, an attitude or a state of being.

The second motion cited above is more likely to influence our future definition of leisure than the first one.

In a manual now being prepared for printing by the sports and fitness division titled "Guidelines for Developing Public Recreation Facility Standards" are these two definitions:

Recreation: Those things that bring personal enjoyment and satisfaction when they are achieved by participating in freely chosen, self-fulfilling activity; this behaviour must be voluntary and an end in itself, rather than a means to an end; recreation is the expression of leisure; it is one medium through which an individual or group of individuals may improve the quality of life; it is a positive force for individual growth and development.

Leisure: There are two schools of thought about this word: One that relates it to a state of being in which an individual acts freely according to his or her own dictates; the other relates it to time that is free from fulfilling the basic obligations and necessities of life allowing the individual to select other pursuits; leisure provides the opportunity for individuals to choose and to participate in activities or pursuits that bring personal satisfaction and enjoyment—a life-enriching process that broadens and refines perception of self.

These two statements represent the ministry's concept of these words.

66. Mr. Angus—Inquiry of the ministry: Will the Minister of Treasury, Economics and Intergovernmental Affairs, in reference to the TEIGA report entitled "Ontario's Changing Population, Volume I", page 75 "that the major beneficiary of out-migration from Ontario has been Alberta and British Columbia", ascertain the types of jobs attractions that these two provinces hold and, can they be somehow utilized in attracting people to other parts of Ontario, and would the minister table this information?

Answer by the Minister of Treasury, Economics and Intergovernmental Affairs:

Although Ontario continues to attract about half of all immigrants to Canada, migration to Ontario from other provinces has slowed down considerably and there has been out-migration to other provinces, particularly Alberta and British Columbia. This pattern primarily reflects the emergence of more mature and stable economies in the rest of Canada.

Relatively strong export demand for forest products over the past five years has been the main source of strength in British Columbia's economy, while oil and gas exploration and development have been Alberta's main source of employment attraction. In addition, there has been a related growth in the construction and service industries of both provinces. Over the past five years, employment grew by 21 per cent in British Columbia, 19 per cent in Alberta, and 16 per cent in Ontario. Employment growth in Ontario was higher than the Canadian average. [See following tables for further details of employment and general economic performance in the three provinces.]

The main employment attractions of Alberta and British Columbia are based on local natural resource development related to international markets. Such jobs cannot be "created" or transferred to Ontario. However, in the government's statement on regional development, "Ontario's Future Trends and Options", it was emphasized that the economic development strategy for northern and eastern Ontario will concentrate further development of existing and potential resources and more resource processing. Thus, to the extent that Canadian and international markets favour the development of resources, it will be Ontario's policy to ensure that the maximum number of jobs are located in northern and eastern Ontario.

PROVINCIAL EMPLOYMENT BY SECTOR, 1975 Table 1

	Per Cent Distribution			Per Cent Change, 1971-1975		
	Ontario	Alberta	British Columbia	Ontario	Alberta	British Columbia
Agriculture	3.4	12.0	2.5	-9.7	-3.2	4.0
Other Primary	1.5	4.0	4.1	-5.2	3.4	2.4
Manufacturing	25.5	10.0	16.1	8.9	25.0	10.0
Construction	6.1	8.2	7.5	13.6	44.0	26.2
Transportation, Communications and other Utilities	7.7	9.0	10.1	18.6	21.4	18.2
Services	55.8	56.8	59.7	23.0	21.9	27.4
All Industries	100.0	100.0	100.0	16.3	19.1	21.4

Source: Statistics Canada, The Labour Force Survey

PROVINCIAL ECONOMIC INDICATORS (Canada = 100.0) Table 2

	Ontario		Alberta		British Columbia	
	1971	1975	1971	1975	1971	1975
Population	35.7	36.1	7.5	7.8	10.1	10.8
Employment	38.1	38.5	7.8	8.1	10.5	11.0
Wages and Salaries	43.1	41.7	7.2	7.9	11.1	11.7
Value of						
Retail Trade	38.8	37.1	8.0	9.1	12.1	11.9
Dwelling Starts	38.5	34.5	11.0	10.7	14.9	14.8
Per Capita						
Personal Income	117.0	111.9*	99.2	102.0*	108.2	108.2*

Source: Statistics Canada

*1974

77. Mr. Angus—Inquiry of the ministry: Would the Minister of Treasury, Economics and Intergovernmental Affairs please table the increased cost to the taxpayers of Ontario to pay for the 45 per cent increase in the OHIP premiums to all Ontario government employees who have OHIP paid in full or in part as a fringe benefit?

Answer by the Minister of Treasury, Economics and Intergovernmental Affairs:

With regard to your question tabled in the Legislature, on April 23, 1976, the amount of increased payments in respect of OHIP premiums of Ontario government employees, where

those employees receive full or partial coverage as an employment benefit, is estimated at \$540,000 per month or \$6.5 million in 1976-1977.

78. Mr. Angus—Inquiry of the ministry: Would the Minister of Treasury, Economics and Intergovernmental Affairs please ascertain the increased cost to municipal taxpayers throughout Ontario as a result of the 45 per cent increase in OHIP premiums for those municipalities who pay all or part of OHIP premiums on behalf of their employees. Would the minister also include this information for separate and public school systems.

Answer by the Minister of Treasury, Economics and Intergovernmental Affairs:

In response to your question tabled in the Legislature, on April 23, 1976, I am unable to provide the information for separate and public school boards as separate items. I estimate, however, that all school boards, depending on the respective types of contracts will pay about \$10 million in respect of all employees. With regard to local governments, the figure is estimated at \$12 million. I would like to point out that in many cases, the impact of the new OHIP premiums on local government will be ameliorated by consequently increased resource equalization grants.

Answer by the Minister of Education:

Because it would require the obtaining of information from each board to delineate the number of staff for which there is no premium—covered by husband, etc.—for which the single rate applies and for which the family rate applies, we have projected information as to number of total employees, using the data obtained from one board.

The estimated calendar year cost based on an assumed average contribution by boards of 85 per cent of premium is \$10.3 million for a 12-month period and equates to just less than \$7 million for the balance of 1976.

Answer by the Minister of Health:

The information which the Ministry of Health has pertains only to that required for group payments in accordance with the regulations. There are 3,200 groups involved in the payment plan. We do not know which of these are municipal groups nor which are school boards. Further, we do not have the breakdown for which portion is paid by employers and which by employees for each group.

Therefore, we are unable to add anything further to the information provided by TEIGA and Education on this question.

CONTENTS

Thursday, May 13, 1976

Lakeshore psychiatric unit, statement by B. Stephenson	2227
Ontario securities commission investigation, statement by Mr. Handleman	2227
Assistance for asbestos workers, statement by B. Stephenson	2228
Fees for foreign students, statement by Mr. Parrott	2228
Hospital closings, question of Mr. Davis: Mr. Lewis	2229
Lakeshore psychiatric unit, questions of B. Stephenson: Mr. Lewis, Mr. Lawlor	2229
Ethnic advertising consultant, questions of Mr. Davis: Mr. Lewis, Mr. Bounsall	2230
Gravel pit licence, question of Mr. Snow: Mr. Lewis	2230
Ethnic advertising consultant, questions of Mr. Bennett: Mr. Lewis, Mr. Singer, Mr. Bounsall, Mr. Cunningham	2231
Labour rates of Ontario Hydro moving contractor, questions of Mr. Timbrell and Mr. McMurtry: Mr. S. Smith	2232
Public health nurses' negotiations, question of B. Stephenson: Mr. S. Smith	2233
Salary cuts at Smiths Falls facility, question of Mrs. Birch: Mr. S. Smith	2233
Oil prices, questions of Mr. Davis: Mr. S. Smith	2233
North Pickering project, questions of Mr. Rhodes: Mr. S. Smith, Mr. Lewis	2235
Prices at highway service centres, questions of Mr. Snow: Mr. McNeil, Mr. Ruston, Mr. Philip	2235
Rent review programme, questions of Mr. Handleman: Mr. Cassidy	2236
Hospital closings, question of Mr. Davis: Mr. Sargent	2237
Laurentian Hospital, questions of B. Stephenson: Mr. Martel	2238
Charges for zone changes, questions of Mr. Rhodes: Mr. Good	2238
LCBO outlet in New Liskeard, question of Mr. Handleman: Mr. Breithaupt	2239
Point of order re dissatisfaction with answer to oral question, Mr. Cassidy	2239
Report, Ontario Arts Council, Mr. Welch	2239
Report on operation of federal anti-inflation programme in Ontario, Mr. McKeough	2239
Regional government financial review, Mr. McKeough	2239
Report on legal aid plan, Mr. McMurtry	2240
Reports, Public Trustees' office and Law Foundation, Mr. McMurtry	2240
Health Insurance Amendment Act, Mr. Ziemba, first reading	2240
Tabling answers to written questions on the order paper, Mr. Welch	2240
Third reading, Bill 47	2240

Kent County Roman Catholic Separate School Board Act, Mr. Spence, second and third readings	2241
City of Burlington Act, Mr. Breithaupt, second and third readings	2241
City of Toronto Act, Mr. Grossman, second and third readings	2241
Dovercourt Baptist Foundation Act, Mr. Lupusella, second and third readings	2241
Estimates, Ministry of Treasury, Economics and Intergovernmental Affairs, Mr. McKeough, continued	2241
Recess	2270
Appendix, answers to written questions on order paper	2271

SPEAKERS IN THIS ISSUE

Auld, Hon. J. A. C.; Chairman, Management Board of Cabinet (Leeds PC)
Bain, R. (Timiskaming NDP)
Bennett, Hon. C.; Minister of Industry and Tourism (Ottawa South PC)
Birch, Hon. M.; Provincial Secretary for Social Development (Scarborough East PC)
Bounsall, E. J. (Windsor-Sandwich NDP)
Breithaupt, J. R. (Kitchener L)
Bryden, M. (Beaches-Woodbine NDP)
Bullbrook, J. E. (Sarnia L)
Campbell, M. (St. George L)
Cassidy, M. (Ottawa Centre NDP)
Cunningham, E. (Wentworth North L)
Davis, Hon. W. G.; Premier (Brampton PC)
Ferris, J. P. (London South L)
Good, E. R. (Waterloo North L)
Haggerty, R. (Erie L)
Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
Hodgson, W. (York North PC)
Laughren, F. (Nickel Belt NDP)
Lawlor, P. D. (Lakeshore NDP)
Lewis, S.; Leader of the Opposition (Scarborough West NDP)
Makarchuk, M. (Brantford NDP)
Martel, E. W. (Sudbury East NDP)
McKeough, Hon. W. D.; Treasurer, Minister of Economics and Intergovernmental Affairs
(Chatham-Kent PC)
McMurtry, Hon. R.; Attorney General (Eglinton PC)
McNeil, R. K. (Elgin PC)
Miller, G. I. (Haldimand-Norfolk L)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Parrott, Hon. H. C.; Minister of Colleges and Universities (Oxford PC)
Peterson, D. (London Centre L)
Philip, E. (Etobicoke NDP)
Renwick, J. A. (Riverdale NDP)
Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)
Ruston, R. F. (Essex North L)
Sargent, E. (Grey-Bruce L)
Shore, M. (London North L)
Singer, V. M. (Wilson Heights L)
Smith, S. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
Sweeney, J. (Kitchener-Wilmot L)
Timbrell, Hon. D. R.; Minister of Energy (Don Mills PC)
Warner, D. (Scarborough-Ellesmere NDP)
Ziemba, E. (High Park-Swansea NDP)

Ontario. Legislative Assembly



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Thursday, May 13, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159)

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LEGISLATURE OF ONTARIO

THURSDAY, MAY 13, 1976

The House resumed at 8 p.m.

ESTIMATES, MINISTRY OF TREASURY, ECONOMICS AND INTERGOVERNMENTAL AFFAIRS (continued)

Mr. Chairman: When the committee rose at 6 o'clock we were ready to start vote 1005, the finance programme.

On vote 1005:

Mr. Chairman: Is there any comment or discussion on this vote? Shall it carry? The hon. member for Beaches-Woodbine.

Ms. Bryden: I don't think we can pass over this vote without having some discussion of the fiscal policy of the government, because I think this is the vote under which we talk about tax policy.

I think the present budget does show a change in the government tax policy. After the Smith committee and the White committee's report on the Smith committee, this government started to move away from regressive taxes to some extent and towards a more progressive tax system for this province. It started to increase its aid to local government and to concentrate on taxes which were not as regressive as the property tax.

But in the last budget it has completely abandoned this policy. It has moved to a more regressive tax system by proposing to get most of its increase in revenue from an OHIP premium increase. Since this is done by regulation and there is no opportunity to debate it in the House except under this item, I want to make a few comments about that premium increase.

I made some in my budget speech, but there is no doubt that raising \$228 million by this particular means is adding a very great increase to a regressive tax system. Of the total budget increase coming from taxes, of \$330 million, \$228 million is to come out of this particular tax increase. In spite of the fact that people in the lower income groups and people with incomes up to about \$7,200 get free premiums, that is families in that income level, for all others it will be a very

heavy tax increase, amounting to 45 per cent if they pay their entire premium themselves.

At the same time, the government continued the exemption from sales tax for machinery and equipment purchases by industry, which is going to cost Treasury \$220 million this year. Therefore it is giving money away to industry and taking it from the working people who will be paying the premiums, and from all people who pay premiums. Even if the employer pays the premium, whatever the employer pays is added to the taxable income of the employee and will increase his income tax. In that respect, the tax policy has been reversed from any sort of progress towards a tax system based on ability to pay.

The second important feature of our tax policy is the failure to increase the corporation taxes in any substantial way. In fact, there has been a reduction in the corporation tax for small business. This is something that we welcome, but the taxation of big business and of corporate business has not been increased, despite the fact that the percentage of revenue contributed by corporations in this province to total revenue has gone down substantially in the last decade. I gave the figures in my budget speech.

Hon. Mr. McKeough: It might even be because they are not making as much money.

Mr. Bain: It was even down a couple of years ago; they were making lots of money then.

Mr. Chairman: Order, please.

Ms. Bryden: On the mining profit tax, while the Treasurer has estimated \$100 million, last year he estimated a higher amount, \$130 million, and yet the Minister of Natural Resources (Mr. Bernier) said the other day that he expected to get only \$45 million from this particular tax in 1975-1976 in spite of the change in the tax picture which was supposed to yield more money from the mining profits tax. If he was only going to get \$45 million last year, I doubt very much if he'll get \$100 million this year unless he changes the base of his tax substantially. At any rate, perhaps

he could comment on the basis of that \$100 million estimate in the light of an apparent revised estimate for last year of \$45 million.

The third element in the tax system, which is again moving towards the regressive kind of tax system, is the shift of responsibilities and costs to local governments by the cut-back in the rate of aid to the local governments.

Hon. Mr. McKeough: The rate of growth of aid. I know you want to be correct.

Ms. Bryden: By rate of aid, I mean the rate of increase in provincial grants to local governments.

Hon. Mr. McKeough: That's right. I knew you'd want to be correct.

Ms. Bryden: At any rate, they had expected that it would go up at the rate of increase in provincial revenue, which is 19.4 per cent, and instead it is going up 7.8 per cent. As a result, they are not only having to cut back services drastically, but also to raise tax rates; it looks like it may average out at between 15 per cent and 20 per cent across the province, but we're not sure yet. In the city of Toronto it's going 15 per cent.

Hon. Mr. McKeough: Nonsense!

Mr. Makarchuk: Don't argue with her; she's probably right.

Mr. Bain: The Treasurer can reply in his rebuttal.

Ms. Bryden: This shifting of the tax burden from the province to the municipalities is certainly adding to the regressivity of our tax system, and it is the kind of tax policy that we seem to be having in this province at the present time. We consider it to be a reversal of the trends that had been in effect and the reason this government has broken faith with the people; in its desperate effort to reduce its deficit, it is cutting its own costs but shoving them on to the municipalities.

The province is virtually walking out of the succession duties field, with the revenue from that going steadily down. Some very large estates are either completely escaping taxation when they pass between spouses or are being taxed at a very low rate because of the very high exemption of \$250,000. As a result, transfers of wealth between generations are not being taxed very heavily and people are starting out in life with a head start on other people who didn't happen to have a rich father or uncle.

We think that succession duties on large estates are an area of wealth that certainly can be tapped and is not being tapped in this province. The ordinary transfer between a husband and wife and dependent children in reasonable amounts should not be taxed, but a widow who inherits an estate of \$5 million should surely not be allowed to keep the whole \$5 million. If she has been accustomed to living at that standard of living, I don't think the state should be prevented from having a share of that particular size of estate.

Hon. Mr. McKeough: Would you take it twice?

Ms. Bryden: From the husband to the wife, say, and then from the wife to the next person?

Mr. Shore: To the next wife.

Ms. Bryden: I am suggesting that on very large estates, yes, there should be a tax between spouses.

Hon. Mr. McKeough: Just as a matter of interest, what is the member's definition of a very large estate, \$5 million?

Ms. Bryden: Anything over \$1 million.

Hon. Mr. McKeough: The present exemptions of \$250,000 and \$500,000 are all right, are they? I listened to the member earlier today talk about how her party is in favour of small business, and I am just wondering what its definition of a small business is in relation to succession duties. It could be very interesting. That party is so terribly committed to the family farm that I know you would want to tie in your definition of succession duties to a family farm as well.

Mr. Ferrier: You have our philosophy down very well.

Hon. Mr. McKeough: You want to be precise in these things. Let's put on the record what is large and what is small; what you would tax, and what you wouldn't tax.

Mr. Bain: Your government is always so precise.

Mr. Chairman: Order please. The hon. member will continue.

Ms. Bryden: On the family farm and family business—and naturally you would not want to see them wiped out by estate taxation—there are ways of spreading any taxes over a period, but making sure that the farm or the business continues as an operating

entity. We certainly believe that the business or the farm should continue.

But when it comes to large transfers—and I am not going to specify exactly what is large as it changes from year to year as values change—this province is not getting its share of estate taxation. I think you will find independent studies published in the Canadian Tax Foundation journals which state that generally estates and wealth of that sort, are not being heavily taxed at all in Canada. If you believe in equality of opportunity and some redistribution of wealth generally throughout the economy, there is room for that in the succession duties field.

I think our fiscal policy in the taxation field is something we should be looking at to develop a more progressive tax structure and one which does not bear so heavily on the low and middle-income earners.

Mr. Nixon: Mr. Chairman, I am not sure if the minister wants to respond to the position taken—

Hon. Mr. McKeough: I really can't miss the opportunity.

For heaven's sake, go on the record over there. You are talking out of both sides of your mouth. You are for higher succession duties. Then you go mouthing around the province, or your leader does, at Chambers of Commerce and Rotary clubs: "I'm for small business, I'm for the family farm, I want to see these things carry on."

Supposing your little old widow who leaves an estate of \$5 million has that \$5 million invested in Canadian equities, isn't that just as important as if she has it invested in a \$5-million family farm, now come on. You can't play both sides of the game all the time.

Mr. Makarchuk: How many \$5-million family farms are there?

Mr. Chairman: Order, please.

Hon. Mr. McKeough: You are for higher succession duties. Stop trying to weasel out of the whole thing. Get on the record one way or another.

Mr. Makarchuk: Would you like to name some \$5-million family farms? Go ahead and name one.

Mr. Chairman: Order, please.

Hon. Mr. McKeough: You have got this great big thing going with agriculture in this province.

Mr. Chairman: Order, please.

Hon. Mr. McKeough: Go out and tell them that in the case of a family farm down in Brant that is worth \$250,000 or \$300,000 or \$400,000 you are not going to tax that. Come on, put yourselves on the record one way or another.

Interjection.

Mr. Chairman: The hon. member for Brant-Oxford-Norfolk. Order please.

Mr. Makarchuk: How many \$5 million family farms have you got?

Interjections.

Mr. Chairman: Order, please. The hon. member for Brant-Oxford-Norfolk has the floor. Would you give him the courtesy?

Mr. Makarchuk: Has he got the only \$5-million family farm?

[8:15]

Mr. Nixon: I was just going to say, Mr. Chairman, if that is a firm offer I will take it.

Here we have been having a nice rational discussion and the Treasurer in his usual provocative manner has disrupted the whole blooming thing. I will try, Mr. Chairman, to get it back on the rails again, with your assistance.

I would just like to ask the Treasurer one or two questions about the items in vote 1005. I am very impressed with the frankness in which he puts forward the size of the interest payments on our public debt as being \$1,048,455,000. I want to ask some specific questions about that. What is the rate of interest paid on the funds that we borrow—actually I suppose simply grab—from the Superannuation Fund? What are we paying this year to the teachers, the civil service and so on? Is it still about eight per cent?

Hon. Mr. McKeough: No, it's 10.11 per cent.

Mr. Nixon: I wonder if the minister—since there are a number of inquiries from time to time from teachers and others who contribute to these funds about the change of these interest rates over the last four years—would care to either give a report now or perhaps get a piece of paper with the information on it, and table it so that it would be available to us? I can remember his predecessor making a rather full statement, I believe this was about 18 months ago when the rate which had previously been pegged somewhere about five per cent was raised

to 8.01, with the indication that it would be associated with changing rates.

I think it would certainly make it easier for us to answer the inquiries about this, in the process of condemning the government, if we could actually indicate how these interest rates have changed. The minister says that we, representing the taxpayers, are paying something in excess of 10 per cent on these borrowings now. That would be a useful piece of information.

Hon. Mr. McKeough: I don't want to de-emphasize this, but in the case of the teachers superannuation or the public service—it really doesn't matter—we are guaranteeing a certain rate of pension. We have an option of either paying a rate of interest or if the rate of interest isn't sufficient to do what the Act, approved by the Legislature, calls on us to do, then we have to make up actuarial deficiencies from time to time.

Mr. Nixon: So we have kicked in several hundred million dollars.

Hon. Mr. McKeough: That's right. And you could either put it all in this vote or you could put it back in the other vote for actuarial deficiencies. Either way, we have to pay it. The rate of interest to the Teachers' Superannuation Fund is more than just a little bit academic. But since the member has asked the question, I might say that the Teachers' Superannuation people have never asked to have this taken out—and I doubt that they ever will. There's been a lot of discussion about OMERS for example. It is interesting to note it was a damn good—and I say that advisedly—investment committee which has invested a certain amount of OMERS money these past 12 months. They have earned less than we pay them on what you say is stealing it away from them.

The fact is that we are now paying in these cases the provincial rate of interest. Some cases—

Mr. Good: On the new investment.

Hon. Mr. McKeough: I beg your pardon?

Mr. Nixon: He said on the new investment?

Hon. Mr. McKeough: If you bought a bond five years ago—

Mr. Nixon: Don't raise your voice on a matter like this.

Hon. Mr. McKeough: I say to my friend, if you bought a bond five years ago that was paying eight per cent, do you really think

those people, be it Trader's Finance, General Motors or whoever, were going to come back and pay you 11 per cent today?

Mr. Good: Don't say the average. The average isn't 10½ per cent and you know it.

Hon. Mr. McKeough: Certainly our average rate is less than the 11 per cent today. Don't be so silly.

Mr. Chairman: Order, please.

Hon. Mr. McKeough: Don't be so silly. Use your head.

Mr. Good: Don't say the average. The average isn't 10.5 and you know it.

Hon. Mr. McKeough: I beg your pardon?

Mr. Nixon: What is the matter with you? Did you take your nasty pills for lunch?

Hon. Mr. McKeough: No, the average isn't 10.5 because the—

Mr. Good: Tell the whole story then.

Hon. Mr. McKeough: —the average certainly isn't 10.5, because we borrowed a lot of money at much lower rates of interest than that.

Mr. Chairman: Order.

Hon. Mr. McKeough: And I dare say that the rate of interest on the member's portfolio isn't 10.5 either. Because he made some investments a few years ago, probably at 2½ when some of the rest of us did.

Mr. Nixon: You are right, it is 13.

Hon. Mr. McKeough: So your average is a lot less than 10.5.

Mr. Chairman: Order, please. Could we return to the estimates?

Hon. Mr. McKeough: What a ridiculous statement. What a ridiculous interjection.

Mr. Nixon: All right, my best efforts have failed once again, Mr. Chairman. No, it is not your turn yet.

The minister surely knows that for many years, even in his previous incarnation as Treasurer, the word stealing applied very directly, because you raided those funds for hundreds of millions of dollars. The interest payments had no correlation whatsoever with interest payments that were made in the general market. It was John White who saved the teachers from this; not you. You're the beneficiary of his policies.

Hon. Mr. McKeough: Mr. Chairman, I just say that it's that kind of perversion of the truth that denied the hon. member ever getting any farther than being the leader of that party.

Mr. Nixon: With a definitive answer like that, Mr. Chairman, I'm sure that the teachers, who already have little or no confidence in this Treasurer and his colleagues, are not going to be persuaded to change their minds.

On another, perhaps less touchy subject—and I always find that the Treasurer gets loudest when he's wrong—I wonder if he can explain why we are maintaining investment groups in Europe, particularly in Europe but perhaps also in the Orient—I'm not sure about that, but there has been a reference to investment groups in Europe—when our experience in borrowing in Europe has been so disastrous?

The minister—I'm not sure whether it was this minister or his predecessor; probably it was both of them—went to Abu Dhabi or somewhere where there is some oil revenue, which they thought they might be able to borrow, and he came back full of optimism. Perhaps he had some letters from members of the Ontario community indicating they weren't too keen for Ontario to borrow these Arab oil capital funds, because we didn't hear much more about it, even though the money was spent on the trip and the tour and the minister came back glowing in anticipation that we were going to increase our very impressive portfolio of debts owed around the world.

Are we going to go forward with anything like that? If not—and frankly I think it would be a mistake on the basis of our previous experience, entered into in the minister's previous tenure—why are we maintaining a syndicate—that lovely word—in Europe that is still concerning itself with this matter?

Hon. Mr. McKeough: Because, Mr. Chairman—and I'm sorry the former leader of the third party isn't up to date on this—we have borrowed—

Mr. Nixon: Perhaps the former Treasurer can set us right.

Hon. Mr. McKeough: I don't know which incarnation you're in at the moment; I think you've arrived at the after-supper incarnation at this moment. But we have borrowed—when I say “we,” I use that term collectively—Ontario Hydro and ourselves, in fact, have borrowed \$175 million in Canadian dollars through that particular syndicate.

Mr. Nixon: When the minister talks about maintaining the syndicate in Europe, what is the purpose of that? Are they simply looking after the servicing of our German debt?

Hon. Mr. McKeough: No. They are there to advise us and to assist in arranging or underwriting amounts of money for either Ontario Hydro or ourselves, primarily Ontario Hydro.

Mr. Nixon: What happened to the Arab loan that was touted by the minister?

Hon. Mr. McKeough: That's what I've just said. We have borrowed \$175 million in the Middle East.

Mr. Nixon: Is it our intention to meet any more of our requirements that way in the future? What is our experience with this Middle East debt?

Hon. Mr. McKeough: Last year—and I think the same to some extent will be true this year—I think Ontario Hydro and the Ontario government probably used the capability of the Canadian market and the American market as much as they prudently should have used it. Therefore, it was extremely fortuitous that the former Treasurer had begun the negotiations to open up other sources of funds to Ontario Hydro or to the government, as indeed three Treasurers have done with respect to European loans as well.

Mr. Nixon: I would like a further explanation of the explanatory note on G.93, where the total of the interest payments in excess of \$1 billion is compiled. It says that interest on securities issued in the Hydro-Electric Power Commission of Ontario is \$178 million. That's not just the guaranteed portion; that is the specific debt for which we are responsible. Is that correct?

Hon. Mr. McKeough: As the member knows, the last loan that Ontario Hydro made in the United States, which at \$650 million was the largest loan they'd ever made, was made in their own name with the province's guarantee. Up until that point, since the end of the 1930s, Ontario Hydro had not borrowed in New York in their own name; they have always borrowed in the province's name—or we have borrowed, taken the money in, and turned it over to them. And they have issued debentures to us. Consequently I think all of the 178 and 796 would be moneys borrowed in New York for Ontario Hydro.

As a matter of fact, as I explained to public accounts, the difference between the total of these printed estimates of \$12,754,540,000

and my budget, which is \$12,576,000,000, is represented by that 178 and 796 Hydro account which we take out of the budget—because it is our legal obligation and we pay the interest—but it is very much on behalf of Ontario Hydro.

The history of that would be interesting to the member. The reason we have gone through all this is that back in the Hepburn days, Hydro nearly defaulted in New York, and that's something which has forever blotted our escutcheon in New York. It was a Grit government in Ontario that did it, and it will never happen again.

Mr. Breithaupt: That is because we aren't going to be borrowing in New York.

Mr. Nixon: Mr. Chairman, the minister is of course aware that the only repudiation of bonds that has taken place in Canada, other than certain municipalities, has been in the government of Alberta, at about the same time. And the only problems we had with Hydro in the Thirties were because of the irresponsible contractual commitments made by this minister's predecessor, in the early Thirties, in purchasing power from the government of Quebec—which we did not need. And it was necessary, certainly for the good of the province, to simply take a business-like look at those contracts which were entered in so irresponsibly in those times. I will tell you during those Liberal years there were none of these ridiculous debt proportions that we are facing at the present time.

Now the Treasurer and his predecessor—

Hon. Mr. McKeough: Just as a question—

Mr. Chairman: Order, please. The hon. member for Brant-Oxford-Norfolk has the floor.

Mr. Nixon: The Treasurer and his predecessor have normally attempted to justify the level of debt expenditure, particularly interest expenditure, by coming up with some statistical nightmare about how many specific dollars are owed per capita, and so on. And they say we are well within the realm of viability and strength and responsibility in this regard.

It seems to me that those people who are concerned with the four-star credit rating that the province has had, have also expressed a similar concern. It seems to me that the turn-around in government policy—so different from a year ago, which I am sure you will remember, Mr. Chairman, and the Treasurer will too, perhaps to his embarrassment—has been very significant, that even the Treasurer,

at least in his statements, and the people speaking for him, have expressed a concern about the massive size of the servicing fund required and for which we are asked to vote here tonight. It is the largest single item of course, simply to pay these debts.

But we are talking about the debt structure. Can the minister relate these interest payments, that is without talking about the additional debts of Hydro, to the capital debt? Now some of it is self-retiring, self-liquidating; but that is the ambit—sort of to the nearest billion—of the debt for which we are responsible?

Hon. Mr. McKeough: Well Mr. Chairman, before we get into a discussion of net debt and gross debt, I know that the former leader of the Liberal Party is a history teacher, and I never knew that it was R. B. Bennett who talked about Beauharnois as his “valley of despair.” That was of great interest, that was a very—

Mr. Nixon: I was talking about the government of this province.

Hon. Mr. McKeough: You were talking about Beauharnois, and that was Mackenzie King, and you know it. It is the Grits who tear this country down every time. You are trying to tag Bennett with Beauharnois, and it was Mackenzie King who said: “That's our valley of despair.”

Mr. Nixon: The people still elected him.

Hon. Mr. McKeough: Well, that was “our” valley of despair.

Mr. Chairman: Vote 1005. The hon. member for London North.

Mr. Nixon: Let's have the gross figure just before we stop.

Mr. Shore: Well now that my colleague from Brantford hasn't been able to get to this vote for racket, maybe I can strike a chord.

Mr. Eakins: Darcy will be shouting by Sunday.

[8:30]

Mr. Shore: No, I don't think he will, because he has hesitated to provide me with many answers so far.

I would just like to put into the record—I am sure the Treasurer is familiar with it—the programme description of this whole vote. It says:

This programme provides a centrally integrated budgetary planning system to

propose, develop, integrate and monitor the government's fiscal and financial policies for achieving stated social and economic objectives, with particular reference to federal-provincial fiscal relations, tax policy, provincial fiscal policy and co-ordinated provincial-municipal finance and tax reforms. It also provides support to the Treasurer of Ontario with respect to the development of policies for sound financing and debt management

If you exclude the statutory amounts of money, you have approximately \$6 million to cover the programmes that were outlined and described. It seems to me, without getting into a debate on the debt position of the province, which my colleague and others have spoken about—and if the Treasurer is listening it would repay him to pay some attention to it—without getting into the details of the funding of these debts, which is another matter we have talked about at great length and probably will continue to; without getting into too much detail in relation to the purported triple or quadruple “A” rating which I question will continue, I would like to bring to the attention of this body that in 1972-1973 with respect to the operational aspect of this budget—and we keep taking great pride in this restraint and constraint, and I am going to repeat it every time we have a discussion on this vote or on any vote—the amount to be voted in fiscal 1973 for this programme, for operation, was \$2.9 million; in 1974-1975, it was \$4.9 million. If I can interject for a moment, I would ask the Treasurer if he knows what the actual amount is for this year. Do you have that information yet?

Hon. Mr. McKeough: We will have it.

Mr. Shore: At any rate I am sure it will be under the \$5.8 million which is outlined in the estimates. Therefore you can see that it has more than doubled in the last four years approximately. Therefore when you talk about restraint, take it within the guidelines of what it means in a two- or three-year period.

There is another thing which is more significant, or equally significant, and I would like the Treasurer to comment on that, because I believe the programme discussion is very valid. The only thing I am not clear on is what the answers are.

Could the Treasurer tell me what the fiscal and financial policies of this government are? Could he tell us what the stated social and economic objectives are of this province? Could he tell us how he has arrived at this

definition of sound financing and good debt management? These are the questions to which I think we should have answers.

Then I would suggest that perhaps the \$6 million used would be well used, but at this point of time I am not satisfied this province has had the best social and economic objectives defined and fiscal management made clear.

I would like the Treasurer, as I asked him before, to give us what he thinks are the objectives of the province and tell us how he thinks it is well managed and well planned and well run, as he states.

I would also like to ask the Treasurer, the same as I asked in the vote before, how many people are involved under the section of salaries and wages and what type of work they are doing.

I would also like to have an answer as to what the services figure of \$1,041,000 is made up of. These are the comments I would like to put to the minister on this point and I would like to hear his comments in relation to them.

Hon. Mr. McKeough: Perhaps we will start at the other end of the question. We are now talking the whole of vote 1005. In the executive director's office there are four people and my guess—

Mr. Shore: I will settle for the fiscal policy division. The—

Hon. Mr. McKeough: You're going to get the whole thing. You asked for it.

Mr. Shore: Very good.

Hon. Mr. McKeough: Under finance, there is a complement of 185, of whom six are administration; the debenture planning function has two people; the executive director of fiscal policy has five; the taxation and fiscal policy branch has 41; municipal finance has 42; intergovernmental finance and grants has 19. Then we move into the treasury secretary: The executive director has two people; financial information and accounting has 30; finance management has 22; and securities has 16. That gives us the total of 185. During the course of this year that will be reduced by eight complement positions, from 185 to 177.

In respect to the other question, the amount actually spent in 1975-1976, again reflecting the restraints imposed in July, was \$5,073,000.

Mr. Shore: Would you consider a 22 per cent increase from the actual 1975-1976 to 1976-1977 estimates to be restraint?

Hon. Mr. McKeough: Would you say that again?

Mr. Shore: Would you consider a 22 per cent increase from actual 1975-1976 to estimated or budgeted 1976-1977 to be continuing restraint?

Hon. Mr. McKeough: What we're doing, of course, is dealing with estimates as compared to estimates, as the member well knows. But I'd be glad to give him the explanation of the increases. What's really galling you is that we cut back last year. It really is hurting, isn't it?

Mr. Shore: You haven't answered my question.

Mr. Moffatt: He doesn't intend to either.

Mr. Shore: I asked the minister if he considered a 22 per cent increase from last year to be restraint.

Hon. Mr. McKeough: That is a ridiculous question.

Mr. Bain: Go ahead; give him a ridiculous answer.

Mr. Chairman: Vote 1005?

Mr. Shore: Hold on, Mr. Chairman. With the greatest respect, the Treasurer says you're going to get the whole thing. Well, I haven't had the whole thing. With some respect, I'd like him to listen to the questions that I put to him—and I haven't had the answers yet.

Hon. Mr. McKeough: You've asked two other questions.

Mr. Shore: Yes. Would you mind answering them?

Hon. Mr. McKeough: Do you want them answered? What's the fiscal policy of the government? It's reflected in the budget of April 6; that's the answer to that question, and you know it.

Mr. Shore: Is that the answer?

Hon. Mr. McKeough: What's the debt management policy of the government? It was discussed for three hours in public accounts last week. Those are the answers to your questions, and you know they're the answers.

Mr. Shore: Those are the answers?

Hon. Mr. McKeough: Certainly.

Mr. Shore: That's what \$6 million is being used for.

Hon. Mr. McKeough: You're darn right.

Mr. Shore: Very good. I knew if you got hollering, you wouldn't be able to answer it.

Mr. Ziemba: Mr. Chairman, I'd like to talk for a moment about succession duties. As a percentage of total provincial revenues, succession duties keep going down. From 1965 to 1966 they went from 3.9 per cent down to 2.6 per cent as a percentage of provincial revenue. The anticipated \$62 million in 1976 represents a drop from \$88 million in 1974.

I don't see anything wrong with succession duties; after all, this money is going to be coming from rich people and they're people that can well afford to pay it. I think the present setup is discriminatory in that when a husband leaves his estate to his wife, the wife will pay no succession duties, while a single or divorced individual has to pay succession duty tax on anything over \$250,000.

Hon. Mr. McKeough: How would you rectify that?

Mr. Ziemba: I would say that if we just treated them all equally and took the \$250,000 figure as a minimum and—

Hon. Mr. McKeough: But how? Would you tax them all?

Mr. Ziemba: Oh, yes. I would tax them all

Hon. Mr. McKeough: Okay, fine. I just wanted to get that on the record.

Mr. Ziemba: I would tax them all.

Hon. Mr. McKeough: What if it was a family-owned drug store?

Mr. Chairman: Order, order.

Mr. Ziemba: Oh, you and your \$5-million family farm. Would you mind not interrupting me when I'm speaking, Mr. Treasurer?

Hon. Mr. McKeough: You can't take it.

Mr. Ziemba: I've never interrupted you.

Hon. Mr. McKeough: You can't take it.

Mr. Ziemba: I've never interrupted you.

Hon. Mr. McKeough: You can't take it.

Mr. Ziemba: Why don't you just sit there and be quiet for five minutes? You're not fooling anyone with the big mouth.

Mr. Chairman: The hon. member may object to the Treasurer's interjections, but those invectives are not parliamentary.

Mr. Makarchuk: Stay away from his physical features.

Mr. Ziemba: I think normal inflation, Mr. Chairman, would have seen the present succession duty income exceeding \$100 million. Surely if it was \$88 million in 1974 at just the normal rate of inflation—in fact most properties have gone up 25 per cent and 30 per cent in that time—I would just like to ask the Treasurer a couple of questions if I can, through you, Mr. Chairman.

What backlog of estates is the Ministry of Revenue dealing with now? Is that backlog piling up? And how many appraisers does he have going around this province auditing, checking those estates? How much anticipated revenue could the Treasurer see if he went after all those estates he's got piled up in his offices, just waiting to be gone over? There's my question for you.

Hon. Mr. McKeough: I couldn't give those answers, Mr. Chairman. That's a question that should come forward in the Minister of Revenue's estimates.

Mr. Ziemba: Correct me if I'm wrong, Mr. Treasurer, but I understand that you have something like six appraisers for the Province of Ontario. Does that sound right to you?

Hon. Mr. McKeough: We're now down to something, as I remember the figures, we're now down to something less than 1,000 estates a year.

Mr. Ziemba: Well, I understand you've got 2,000 estates.

Hon. Mr. McKeough: Taxable estates?

Mr. Ziemba: Two thousand estates. A backlog of 2,000 estates that you can go after—rich people that have left money, \$10-million estates, on which surely we could raise a couple of hundred million dollars.

Don't you think you'd like to expand that staff? I'm sort of interested in some of your cutback programmes, but wouldn't you want to hire a few more appraisers to go out and go after the rich people and try and raise some money for us?

Hon. Mr. McKeough: Mr. Chairman, I can only say this is something which should be put to the Minister of Revenue—although I will certainly say this: Whether it's a rich person or succession duties or sales tax or whatever it is, we don't describe their duties as "going after" somebody. I don't like that inference and we don't do that.

Mr. Ziemba: Of course you don't do that.

Hon. Mr. McKeough: Whether it's six people or 12 people.

Mr. Ziemba: No, you're not interested in rich people because they help you out.

Hon. Mr. McKeough: We don't go after rich people or—

Mr. Ziemba: You just go after working people, that's all you do.

Hon. Mr. McKeough: You'll have to speak to the Minister of Revenue (Mr. Meen) as to what backlog there is; I wouldn't know. This is their estimate of what will be brought in this year.

But there's nothing in these estimates to collect succession duties. In terms of the philosophy of succession duties, the government is on record on a number of occasions that we eventually expect to phase-out succession duties as the capital gains tax matures—which it hasn't, and it's a long way from it. We eventually expect to phase-out.

So obviously, in answer to the first part of your letter, yes, the proportion of provincial revenues collected by succession duties will continue to decline, at some point will be zero.

Mr. Shore: Mr. Chairman, on a point of personal privilege, I think. Call it what you like.

Mr. Chairman: A point of which?

Mr. Shore: Personal privilege, if I may.

Mr. Chairman: You have the floor.

Mr. Shore: I gather the Treasurer may think he's wasting his time here tonight. If he does, fine. But Mr. Chairman, I don't want to waste my time either.

I'm sincerely asking questions and I appeal to the Treasurer to respect the questions that are put, and to take it in the way in which it's given. I'm not too interested in whether the Treasurer's wasting his time or whether he thinks this exercise is useful. The facts are this is the way the game's played. If we're going to waste time, my time's just as valuable as his, and I would just like to put that on the record.

Mr. Chairman: The hon. member for Brantford.

Mr. Makarchuk: Mr. Chairman, on the same vote I'd like to ask what the minister's doing in terms of trying to—you know, he's not doing anything in terms of succession duties or trying to make a more equitable

distribution of wealth and having the people, wealthy or otherwise, those who are earning the money in our society and taking the fruits out of society, pay their share of the cost of operating the society. You have more or less resigned yourself or you have walked away from that responsibility.

[8:45]

I just wonder what the minister, and this has been raised in previous estimates in the past, is doing about the fact that there is an escape of wealth in the country. There are groups or corporations, individuals and so on, who set up operations, corporate shells, etc., in other jurisdictions which they use strictly for the purpose of evading paying taxes in Ontario.

Somehow I think you would agree if they are making their money here naturally they should be paying their taxes here the same as anybody else. We are not asking more of them or to have them take on a more onerous task; nor do we hold it against them because they want to reside some place else. However, we do ask them to pay the same amount of the cost of operating this place as anybody else does who lives here. That is the one point.

The other point is that some time ago there was an item raised by the federal Department of Revenue to the effect that foreign corporations, by means of juggling books, writing things off, charging inflated prices for components and so on, are able to escape taxation or are able to provide a statement which really does not reflect the true wealth or the true profit of these corporations or companies. Once again, is the province taking any action in this direction? Again we get to the argument that everybody should pay their taxes and everybody should pay a fair share of taxes. I don't know whether you agree or not but I think there are a lot of people in this society at this time who evade this. Somehow I feel that you are not carrying out your responsibilities. Could you comment on those two points then?

Hon. Mr. McKeough: Actually, with the greatest of respect, I do think you are talking about the position of the Ministry of Revenue rather than Treasury. I can comment on the philosophy of the two points you raised. Aside from anything else, we have no intention of putting a wall around Ontario and saying you can't own a family farm in Ontario, even worth \$1 million, sell that family farm worth \$1 million and move that \$1 million to a bank account in Nova

Scotia or to Edmonton which would evade succession duties. No, I don't think we could. It is not a question of money leaving the country. The simple fact is today that in terms of succession duties I think there are five provinces now not levying succession duties, and Quebec has made another move to lower their succession duties. The argument perhaps to some extent becomes somewhat academic. I know of your party's great interest in family farms and small business, but I do point out to you that they don't always stay that way. It could be a family farm worth several million dollars which they sell to some great big rich developer. They take that money and leave the province with that money. If you seriously think somebody should put a wall at Kenora or Rainy River to stop that sort of thing, I think you had better spell out just how you are going to do it. There is no way I know of doing that and there is no way we have any intention of interfering with that free movement of money, which inevitably means also free movement of people.

With respect to corporation taxes, I am not aware of that much avoidance. You might want to question the Minister of Revenue about that. Essentially our corporation taxes follow practically word for word with those of the government of Canada. We try to keep them in conformity, and as a result our collection costs are small. We do some auditing of our own, but basically we accept the federal audit.

I think most small businessmen, again whom your party is very interested in these days, decry the fact that we do have two corporation taxes and say: "Please leave the whole thing to Ottawa; or if you want to collect your own, why doesn't one audit do the trick?"

I must say I am rather impressed by that argument. We listen to that argument and the Minister of Revenue listens to that argument. In terms of compliance to a great extent we do lean on the federal auditors and federal assessors. If they are not picking something up, the chances are that we are not picking up everything that we should either. We accept this rather than have duplicate auditing and duplicate assessing across the board.

Mr. Chairman: The hon. member for London South.

Mr. Makarchuk: On the same point, Mr. Chairman. I must admit that all these people in Ontario who have the \$5 million family

farms and the \$1 million family farm startle me—I notice the price has dropped \$4 million in 15 minutes. I am sure that the farmers in my area will be really surprised to know they have such wealthy farms. I am sure even in your area there must be a lot of these \$5 million or \$1 million family farms. I think that's a lot of nonsense. If they can get \$200,000 or \$300,000 for what they have right now they are reasonably happy. The problem is they can't get that, so let's be realistic about it and talk about what it is.

Getting onto the other items, about leaving it to the federal auditors. That's quite all right, I don't believe in the idea of setting up any duplicate bureaucracy to go after it. However I think this government has a responsibility that if the other government fails in carrying out its responsibility then you should not sit back and accept the facts as they are demonstrated by somebody else and do nothing about it. The consequence of that is the guy who is working at the plant—the middle and the lower class—ends up by making up the bundle and somebody else gets the pickings out of the thing. If you sit there and do nothing about it I think that's irresponsible.

Hon. Mr. McKeough: I can only say, Mr. Chairman, to my knowledge we have no evidence—but perhaps the member does—that the federal assessors are not doing an appropriate job under the Income Tax Act.

Mr. Makarchuk: Mr. Chairman, just one point. Is the minister really convinced in his mind that there are no corporations or businesses in Ontario evading taxes at this time?

Hon. Mr. McKeough: I think that would be a ridiculous statement. On the other hand I don't think we are going to go out and hire the people to make sure that every last piece of evasion is found.

Mr. Makarchuk: You certainly catch the average guy for it, though.

Mr. Chairman: The hon. member for London South.

Mr. Ferris: Mr. Chairman, I would like to ask the Treasurer—we may be in the wrong section for the vote that we are talking about now—but are these the people who would be responsible for developing the programme of cash flow to local municipalities and boards of education?

Hon. Mr. McKeough: For a board of education, no.

Mr. Ferris: No? All right, then, we will discuss it later.

Hon. Mr. McKeough: That responsibility is in the Ministry of Education. They would develop the cash flow pattern. We might not altogether agree with it, and might not approve it—but that is true, I suppose of every minister's estimates.

So the cash flow programme from the Ministry of Education—or from the Ministry of Government Services, I guess, where the cheque writers are—to the local boards of education is the responsibility of the Minister of Education (Mr. Wells).

Mr. Ferris: Are you saying that it could be the Ministry of Government Services that could be doing this, or the Ministry of Education?

Hon. Mr. McKeough: No, they are the people who write the cheques. It is the Minister of Education.

Mr. Ferris: Then to divert just for a moment, did the Treasurer react to the London board when they censured him particularly for the cash flow problem and report that estimate to the—

Hon. Mr. McKeough: No, I am not aware that I reacted or otherwise. I would send it to the Minister of Education, rather than react.

Mr. Chairman: The hon. member for Waterloo North.

Mr. Good: Thank you, Mr. Chairman. Under fiscal policy, I'd like to speak briefly on the matter of municipal financing generally. I'll start with the transfer payments. I think it should be brought out that many of the injustices and inequities that have arisen, especially this year, are a direct result of unilateral decisions made in the Ministry of Treasury, Economics and Intergovernmental Affairs.

Let us look at the general support grant which, by the Treasurer's answer to the question yesterday, will mean that 205 municipalities will get less money this year than they did last year. The reasoning behind it is set forth clearly in the answer which was given by the Treasurer to the question that was on the order paper from the member for Brant-Oxford-Norfolk (Mr. Nixon). I would like to just trace the history on why the problem has now arisen.

Back in 1974 you instituted a policy whereby the general support grant would vary according to the amount of spending

done by a municipality. In other words, municipalities that spent more got less, while those that spent less got more. The level of the support grant varied all the way from three per cent of the previous year's levy to as high as nine per cent of the previous year's levy.

I think it's important that the Treasurer realizes that in that particular year, although it probably wasn't put in writing, the word did go out from the province that if you wanted to increase your grant, you shouldn't pay everything out of your general current revenue; you should put it onto debentures to keep your general current revenue down, so your general support grant would be in excess of six per cent and you could go up to nine per cent. This is what many municipalities did. But it's costing them money in this particular year.

What happened? Municipalities kept their spending lower in 1974; but those municipalities that had rapid growth rates and excessive costs involved with the carrying on of very progressive and reliable communities found that they could not do that. As a result, those municipalities were penalized by the province at that time, in spite of the surface appearance that that policy seemed to be promoting good money management.

In 1975 the Treasurer changed the ground rules and said municipalities would get a straight six per cent of their last year's municipal levies, whatever it was that they raised. But to soften the burden a little bit he put in a rider that no municipality would get less than 95 per cent of the previous year. They didn't; everybody got at least 95 per cent. If the formula worked to their favour, they probably got as much or more, but those municipalities that had spent very heavily the year before and got less than six per cent, got the six per cent in 1975.

The most recent budget eliminated the one-year protection, and municipalities in 1976-1977 will get a straight six per cent of last year's levy; herein is the hardship. The hardship has been caused to these 205 municipalities because 76 of them had 1975 levies that were lower than their 1974 levies, which resulted directly from the way the Treasurer had set up the 1974 levy. In other words, he said, we'll penalize you if you have to spend a lot; we'll reward you if you're in a community with slow growth and don't have to spend very much. Those municipalities are therefore being penalized in 1976 because they fell into the trap of the Treasurer's making in 1974.

The other 129 municipalities are going to be penalized this year, Mr. Chairman, and I'd like to let you know who some of these municipalities are. Many of them are townships and villages, of course, but there are a great many cities among them as well. This group is finding that while last year they were guaranteed the 95 per cent from the previous year, this year there is no guarantee, and they're going to end up with a straight six per cent.

If the Treasurer calls this economic policy-making or any kind of fiscal policy with which the municipalities should be able to live, I think he'd better reorganize his ministry to come up with policies with which the municipalities are able to live and carry on business from one year to the next. The problem in the last few years has been that the municipalities do not know from one year to the next, let alone two or three years in advance, what kind of a handout they're going to get. The fact that the province gave large grants in 1974, and at least 95 per cent in 1975, has penalized these same municipalities in this current year. They didn't set the ground rules in 1974 and 1975, the province did. Now what happens? The municipalities are paying the shot.

The same thing happened with the Edmonton commitment. I don't want to go into that again—we've had a lot of discussion on it—but the province set the ground rules and the province voluntarily, unilaterally reduced its revenue last year in an election year by giving away the election goodies and now the municipalities are caught with this mythical overpayment which is geared to revenue. That, in the Treasurer's words, is a lot of nonsense. The province created the problems and now they have hung it on the backs of the municipalities once again.

[9:00]

I just cannot understand why there can't be a more uniform, well-organized system of provincial financing that doesn't have to carry on on an ad hoc basis from one year to the next. Of these 205 municipalities that are going to run into problems this year, there is a whole page, including the cities of Hamilton, Owen Sound and Sudbury, that are going to get between five and 10 per cent less than they got last year.

Then there's another half a page of municipalities which are going to get between 10 and 14.9 per cent. They include Guelph and Pembroke and a host of other towns and villages. Then there's another group—a full page with two columns—of municipalities that

will get 15 per cent more or less this year than they did last year from the general support grants. These include places like the cities of Brantford and Cornwall, Nanticoke, the city of Windsor, plus a host of townships and villages.

There could be no more condemning evidence than the answer to the question raised by the former leader of our party, of the irresponsible lack of planning that has gone into this whole matter of municipal financing. The municipalities just don't know from one year to the next what's going on. I think it's time the Treasurer got up and admitted they haven't done the proper planning and municipal financing in the last three years and that it was a mistake the way the government handled its 1974 general support grants. Now you're asking municipalities to pay for the mistakes that you made in the provincial Treasurer's department.

Hon. Mr. McKeough: Do you want an answer?

Mr. Good: I'd like to hear an answer to that, if you are prepared to admit that it is your fault.

Hon. Mr. McKeough: The fact is because of inflation, and we discussed this last year, the sliding rate of grants simply wasn't working. If the member wasn't in my office or in my predecessor's office complaining about the fact that the year before they hadn't built a bridge, or they did build a bridge in London, London was in my office and everybody else's office. They were being penalized one way. The fact was that that grant wasn't working the way it was designed to work.

Secondly, the rates of inflation have distorted the whole picture. It would have necessitated raising the figures to a very high level. It wasn't helping the growing municipalities which were the municipalities which in terms of housing problems and a whole host of problems were the ones that probably needed the most help. Therefore, it's true a year ago we made the change to a flat rate of six per cent and a year ago we said we will underwrite for one year a guarantee of 95 per cent. In fact, we gave them two years to get out of it. Now the member says we don't plan ahead. They've known this for over a year. It's as simple as that.

Mr. Good: That's certainly an unsatisfactory answer. The whole thing is the problem has been of your making. If you expect 205 municipalities to get by this year on less money than they did last year, you will be very surprised.

Hon. Mr. McKeough: They got by with five per cent less than they had the year before. They're not the little children that you and the Grits like to make them out to be. These are big boys. They know what they're doing.

Mr. Shore: Why don't you treat them like big boys?

Hon. Mr. McKeough: Well they are

Mr. Good: You treat them as though they should get by with the crumbs that fall from the Treasurer's table and nothing more.

Mr. Eakins: Big boys don't shout.

Mr. Shore: They will be glad to hear they are not little boys.

Mr. Good: Let's get onto the next grant, the resources equalization grant. I have heard more Treasurers say they wish they'd get rid of that, the inequity in that grant. Either do that or do something about the frozen assessment. I know you're going to say by 1978 it will all be over.

Mr. Shore: By 1988.

Mr. Good: Yes, it will probably be closer to 1988 the way it has been postponed, postponed and postponed.

The truth of the thing is simply this, Mr. Chairman. There is no way we can have any equity in the resources equalization grants under your frozen factor system, because you know, I know and everybody knows that the factors that were set up before 1970 have not been able to be appealed since then and just don't work in today's grant system. To relate again the inequity, the city of Windsor gets no resources equalization grant; London gets a huge one. The city of Kitchener gets a resources equalization grant; the city of Waterloo doesn't get one. Side by side, one city is no more wealthy than the next, but your whole system now has been tied up, or tied down to an inequitable base which has existed ever since you and the NDP voted to freeze the assessment back in 1970. That's the truth of the whole matter. That has caused more problems in municipal financing around this province than anything else; that is, the freezing of that assessment over such a long period of time. To say anything different is to distort the facts as they are now. The resources equalization grants will never work properly until you get an equal base of assessment, and we've reviewed the whole assessment picture with the Minister of Revenue so we're not going to go into that again here.

There is the other matter about the financial effects of the restructuring of local government. Some time ago I drew the minister's attention to the fact that the township of Woolwich and the township of Wellesley in my area—

Mr. Nixon: Ever since Darcy has taken it over it has been a mess.

Hon. Mr. Taylor: You are in favour of higher taxes? What a party platform.

Mr. Good: —are very unhappy with the effects that regional government has had on them. A brief was presented by the township of Woolwich, that went to the Premier. I passed along a copy to the Treasurer and he said—I think it was in his estimates last fall; probably a year ago, before the election—that he would be glad to look into it. The fact of the matter here is that one can recognize very quickly why there is dissatisfaction with the adjusted costs among the rural and urban people under regional government.

In the case of the township of Woolwich there are three wards. One ward is urban, the town of Elmira. The other two wards are rural. Previously, the town of Elmira and one of the wards had their own police protection. Now, of course, it's all under the region. That's another thing that one could talk about at length. Municipalities were suckered—I shouldn't say suckered, but they were encouraged—into forming regional police forces by the issuing of a larger grant. So what happened?

Mr. Nixon: Suckered is the word.

Hon. Mr. Taylor: You don't believe in policing either?

Mr. Good: Last year, the police grant went up about \$5 in the regions where there were regional police forces, and the costs went up around \$8. This year there wasn't one cent more in the per capita grants for areas where there were regional police forces. It's still \$12 per capita and the costs have now risen in excess of \$40 and they're approaching the \$50 per capita in many of the areas. That's the kind of thing that has made a lot of municipalities lose faith in the government. You entice them into programmes by offering them grants and then you leave them hanging in there in mid-air and having to support the increased costs over and beyond that.

Getting back to the effect of regional government on the township of Woolwich, the urban part of the township experienced a decrease in costs after the regional government was set up because the region had

taken over the policing. The rural parts, of course, experienced a tremendous increase, so the equalization of the differences was established and the amounts were put over five years to be taken off at 20 per cent each year to try and equalize the burden to some extent. So even before the equalization period of five years has expired, we find that in the urban part of the riding the costs have been held to about a 7.6 per cent increase in the past two years. In one ward, the costs have risen 165 per cent in the three years, and in the other ward, 77.9 per cent. Truly, the financial sections of the Waterloo regional bill, as they relate to the amalgamation of former municipalities, have not worked to the benefit of the rural communities. There is just no doubt about it. It is very difficult to go to any rural community in a regional government and find any municipal council that does not feel that they have had a rough time of it, because of regional government. Surely there must be a better way to work out the equalization of taxation among these municipalities that have been merged under regional government.

The municipalities now are resorting to anything they can do to make a few dollars to try to finance them. The lot levies across the province are now being used as a means of financing in the municipalities—something they really weren't intended for. We find that in some areas, I think in Mississauga, the region has a thousand dollar lot levy, the area government has another \$500 or \$600 or \$800. We have the same hassle going on in our own area, where the region wants to impose a lot levy. It is no wonder that the costs of lots has risen. That is one contributing factor at least—the lot levies have had to be imposed by municipalities through lack of a proper taxing base. You have left the municipalities with a tax base which doesn't expand like the province's does.

You even now are proposing under your report to minimize the business tax on certain types of industries. This will prove another hardship in certain municipalities such as my own. I really feel that financial planning, as it relates between the province and the municipalities, has left a lot to be desired.

Mr. Chairman: Shall vote 1005 carry? The hon. member for Beaches-Woodbine, anything to discuss on this vote?

Ms. Bryden: On item 3, are we dealing with all three on this one?

Mr. Chairman: I gather we are doing them collectively.

Ms. Bryden: I just had one question, I wanted to ask the provincial Treasurer why the item under 3, services, has gone up by 50 per cent? I looked at last year's detail, and it was \$396,000; it is now \$620,000. I noticed the item for services under item 2 has also gone up from \$879,000 to \$1.4 million. This doesn't look to me like restraint; a 50 per cent increase in services.

Mr. Renwick: That's a deceleration in the rate of acceleration.

Ms. Bryden: The item is services.

Hon. Mr. McKeough: I would like to get you an explanation of that, because that does sound large. The item services has gone from—what did you say it was a year ago?

Ms. Bryden: A 50 per cent increase under Treasury.

Hon. Mr. McKeough: To \$620,000.

Ms. Bryden: From \$396,000 to \$620,000; that's the estimate figure.

Hon. Mr. McKeough: On the Treasury side, I don't know what—

Mr. Renwick: This is a minority government now Darcy, not a majority.

[9:15]

Mr. Chairman: Order please.

Mr. Renwick: Is that all you've prepared?

Hon. Mr. McKeough: I guess the biggest part of that would be for the upgrading, if I can put it in lay language, of the financial reporting system, which I think Mr. Auld talked about. This is to bring the financial reporting system into step with what is happening, which is going to require more computer time. I think that is probably the biggest single reason. We now get from the accountants overall an estimate of what—we know what they have spent, that's reported to us, but we're not getting the best estimates of what is left to be spent. So in terms of the better control, it will, in effect, be exercised by Management Board so that if we're running over on one vote we take a look around to see where there are possible savings before they spend it on something else, so that the net figure may work out to be the same. This has required improvements to be made in the accounting process to achieve closer control over the whole financial system. I think that's the best way of putting it. It will essentially be administered by Management Board or controlled by Man-

agement Board but the reporting system will be in the financial information and accounting policy branch of the treasury division of my ministry, who are the government accountants if I may put it that way. They are going to get more involved through the financial information system, which will require more computer time. Now, I think there's more to it than that and I'll get you a fuller explanation. But I think that's basically the big difference.

Ms. Bryden: It appears that it costs money to save money or to tighten up the controls. However we welcome any tightening up in the expenditure programme. Will this also include making Management Board orders available to the public on a better than annual basis, which is I gather what we get at the present time? I think the Chairman of Management Board did talk about possibly quarterly reporting. Certainly it would be very desirable to have Management Board orders available to us on a much more frequent basis.

Hon. Mr. McKeough: Yes.

Mr. Shore: In relation to the interest factor on \$1.048 billion: Is the interest paid on the Canada Pension borrowing shown in the provincial account part or where would it be shown? G.93 — where would it be?

Hon. Mr. McKeough: It would be shown on G.93 and it would be included in the \$522,233,000.

Mr. Shore: It is included in that?

Hon. Mr. McKeough: Yes.

Mr. Shore: Approximately how much of that \$522,233,000?

Hon. Mr. McKeough: Roughly \$400 million, I think, isn't it? Somebody's getting me a better figure.

Mr. Shore: Roughly \$400 million. Now could I ask the minister to give me the major breakdown of the one million dollars under fiscal policy for services—the \$1,041,600 for services under fiscal policy? Could I have a breakdown of the largest part of that?

Hon. Mr. McKeough: Services under the taxation and fiscal policy branch; and there are three branches under fiscal policy. They broke it down into three. If I can give you some of the larger items. EDP, the biggest single item, is \$168,000. The printing of the provincial budget staff papers throughout the year is \$110,000. EDP re municipal financial

information, financial analysis of regional governments, analysis of real property assessment at market value, analysis of property taxation are all EDP—\$432,000. Those are the biggest items.

Mr. Shore: Where do you get the EDP from, internally?

Hon. Mr. McKeough: No, no. This would be all Government Services—the majority of it is Government Services, is it?

Mr. Shore: Government Services.

Hon. Mr. McKeough: Yes.

Mr. Nixon: Mr. Chairman, just as a matter of information, what is the plan of our transfer to the Syncrude commitment? Does that come into the statutory vote?

Hon. Mr. McKeough: The closest I can come is, "Payments from Ontario Energy Corp. trust account, \$36 million."

Mr. Nixon: Through the Energy Corp.? What is the plan for making up the total commitment? Does this \$36 million accomplish that, or is it based on the rate of progress?

Hon. Mr. McKeough: There was \$100 million set aside, in 1974-1975. I think the draw down in the first year was \$25 million, and I guess this will bring it up to about \$60 million on total.

Mr. Nixon: What do you mean set aside? I can understand a commitment, but the funds were not, in fact, set aside.

Hon. Mr. McKeough: No, it was a budgetary expense and a cash requirement expense in 1974-1975 because we made the investment then. I think we actually laid out \$4 or \$5 million then, and \$95 million is reserved on the books for the Energy Corp., nearly all of which—there's \$5 or \$10 million in Polar Gas—will flow through to the Energy Corp., and I assume mostly to the Syncrude project, \$34.3 million in Syncrude and \$2.5 million in Polar Gas. That's our information.

Vote 1005 agreed to.

On vote 1006:

Mr. Chairman: Vote 1006, urban and regional affairs programme. Inasmuch as there are several items to be discussed, I would suggest that we discuss item 1. Does the member for Brantford wish to comment?

Mr. Makarchuk: Yes, Mr. Chairman, I'd like to participate in this particular aspect of

the urban and regional development; and perhaps acknowledge a certain sense of personal frustration. The government, of course, would want one to believe that—

Mr. Chairman: I would draw to the hon. member's attention that that would come under item 3 of vote 1006. Is item 1 agreed to? Carried. Item 2, urban and regional planning.

Mr. Makarchuk: On item 2, Mr. Chairman.

As I said, I would like to participate in this, and there is a certain element of personal frustration. Of course, the government would like us to believe that the reason for this is the perfection in the ministry; and one would find it rather difficult to disagree, how can you improve on perfection? Of course, that's not the case. I think one has to realize that this is a ministry that is spending about \$1,742 million, which is more than the whole budget of the Province of Saskatchewan. With that kind of spending one is aware of how large the ministry is.

However, the frustration comes, Mr. Chairman, when you examine the functions of the ministry that are not financial but flow from the ability to control the purse strings as well as being charged with specific functions, particularly those related to growth and development in the province.

For a long time we on this side seriously believed that the government was concerned about planning. It may have discovered the process a little late in life, but it did acknowledge there should be planning and it did provide us with a Design for Development about 10 years ago.

Actually, it has advised this House that it was developing a major land-use plan for the province, which is a necessary prerequisite if you subscribe to the idea of planning and everything that flows from it or is associated with planning. In reality what you have been doing over all these years is deceiving the people of this province, many of whom took your statements, concepts, designs and files of publications as evidence of serious intent on your part. What did we get? Recently we've got more of the same; more reports, more publications. I would like to quote Harold Greer from his column referring to the last bundle of publications provided to the House.

Nevertheless, there was a clear implication in all this that eventually there would be an overall provincial master plan, official and dedicated, wherein everything would be made clear.

Treasurer John White said so specifically in 1974 and promised the first "rudimentary" version of it in the fall of that year. It never happened, of course, but then these things take time.

So when it was announced that the government would have a major planning statement to give the Legislature on April 8, and arrangements were made to give the press an advance, four-hour, locked-room briefing thereon [there is drama involved in this thing, of course] it was widely assumed that here at last was the master provincial plan and living proof, perhaps, that Ontario Conservatives did indeed have some appreciation for what government is all about in the late 20th century.

I may digress at this point and point out that New Zealand had land-use planning in 1933. I will continue with the column:

Alas, the printing presses have merely been busy again; 11 more planning reports to put on the shelves, full of options and possibilities and alternatives, and not a provincial plan among them. There is not even a hint of a provincial plan emerging from them: the reports are so poorly co-ordinated that they do not even use the same statistical bases.

Moreover, there is not going to be any provincial plan. Both Premier William Davis and Treasurer Darcy McKeough were at the press briefing to make that clear in, of course, their own way. They decried "concentrated central planning" as vaguely fascist—or maybe it was socialist—and stood four-square for a "planning perspective" in which the province assists local and regional governments "to achieve their own planning and growth management goals" within broad provincial guidelines.

These guidelines have all the consistency of jelly on the wall. "We will be looking to the future of our province in the general context of our restated development strategy," McKeough declared soberly. [It must have been the afternoon.] "As we progress, changes will be adopted that will reflect the expressed needs of the people to be served by provincial and local development initiatives of whatever kind." Don't bother to read it again, it doesn't mean anything [Mr. Greer says].

The reasons for this are twofold. In the first place, it's becoming increasingly obvious that the Conservative Party, and for that matter any political party which refuses to adjust and acknowledge the changing nature of our society, becomes irrelevant to that society.

The second reason is that despite the consistent lip service to planning the Conservative Party ideologically does not believe that government should be involved and be a positive force in organizing and directing the events which affect the lives of the people.

When you are forced to intervene by events you do it shabbily, arbitrarily, negatively and generally in a destructive way. When the need develops, when society cries out and says do something, you smugly crawl under the shell of leaving it to the marketplace to resolve.

The marketplace does not resolve it. The marketplace has a function, but its function is certainly not to plan the future of the citizens of the Province of Ontario.

I quote the minister, "Effective planning is inextricably involved in the proper management of the affairs of the public on behalf of the public."

What he should have added to that is "by the public." The government is supposed to be the agency of the public; not Stelco, not Hydro; not Glendour Developments, nor for that matter any other major corporations in Ontario that are doing the planning in this province.

[9:30]

Specifically, I'd like to look as an example, at the Haldimand-Norfolk operation. In the first place, Mr. Minister, the decision to locate a major steel plant was made by Stelco. Their considerations were availability to water, a place for port facilities, rock foundations, accessibility to markets and cheap land. And they were all there.

The fact that thousands of acres of farm land were going to be put out of production was inconsequential to Stelco, but it should be of some concern to the government. The past inaction and current series of statements indicates quite clearly that this government is still unconcerned and is not interested in preserving agricultural land. In fact, some of the statements that have been made by you and the Minister of Agriculture and Food (Mr. W. Newman) would lead one to think this is the only province in the world where they are still making land.

Besides the failure to preserve agricultural land, there is a failure of leadership and total lack of co-ordination particularly between various ministries. While Agriculture and Food is supposed to be interested in farm land preservation, Housing is busily taking up more land purchased earlier by private entrepreneurs who by themselves decide where the new townsite is going to be located. Of course, Housing and the Ministry of TEIGA

were involved. They were not satisfied with one site, they acquired two sites.

You hold two sites right now. The other day we asked the Minister of Housing (Mr. Rhodes) just what he intends to do with the other site, and of course he doesn't know. You have about 12,000 acres, I think, in the Cayuga townsite tied up. Money tied up; land is tied up. Although you rent it out, it is not really farmed sensibly when you rent land out.

I may add that the population growth, the figures that were submitted by your own ministry regarding population growth in that area, indicate that the Townsend site itself will be more than able to absorb or hold all the future population growth in the area. So why do you keep the second site?

May I also comment briefly on the delay of the development of the site—and it is not really the municipalities in that area that have been holding it back, they have accepted the idea that there will be a satellite town and they haven't really been objecting to it.

But you have been meeting about this site. You have been arguing about it, since about 1968-1969. You held major meetings in Jarvis. You were going to start the whole thing; you were going to be doing it and it would go on stream. As I gather now, nothing will go on stream until about 1977. I would like to point out to you, Mr. Minister, the fact that in Elliot Lake, with much rougher topography and everything else, you were able to design, plan and build a town site in something like three years.

It seems to me the only reason you are holding off up there is the fact that you have some major developers who are holding properties around Port Dover and around Simcoe, and until such time as their properties are utilized you are not prepared to move into that area.

Hon. Mr. McKeough: I don't want to interrupt but there is no money in my estimates for Townsend or for Cayuga. The estimates that you are now talking about are of the Minister of Housing rather than mine.

Mr. Makarchuk: Mr. Minister, I was discussing it as part of the planning process of the province. That's what I am discussing and that comes under your ministry in this particular vote.

In fact, Mr. Minister, each ministry seems to see its powers and responsibilities as

weapons to be used in the fight with the rest of the government for influence.

Examples are only limited by imagination. Agriculture and Food is supposed to be preserving agricultural land, Industry and Tourism and Housing are building industrial parks and houses on it. Environment is supposed to be controlling pits and quarries; Natural Resources sees mineral aggregate where most people see trees and grass.

I may add in that particular area that there has been quite a great deal of concern expressed in the fact that the cabinet has decided to reverse an OMB decision and possibly open the way for the establishment of another quarry, particularly in the fact that you have an existing quarry that has estimated supplies that would last about 100 years.

One aim of the Treasury is to decentralize growth, while another aim is planning new towns on the periphery of Toronto. Environment is building massive servicing schemes in York and Peel. Transportation and Communication promotes roads. The Ministry of Energy advocates transit. Cutbacks are made here, with no thought for the consequences over there.

There is no plan and there is no design. The only time there seems to be a central agency of government is when the budget is being drawn up but there is no policy co-ordination or direction in that either. The so-called superministries were supposed to do some of that. Instead, it seems to me, they shuffle paper and convene a lot of conferences.

I don't think any of the ministers have any clout to provide any leadership or to do any co-ordinating. Perhaps it may be because of the nature of the minister. I don't think any one of them is prepared to stand up and ask the operating minister, or perhaps put his own point of view. The clout is on the other side, and it's larger than what the superminister can generate.

The result is that it's developed into situations where local people are getting themselves into confrontations with other areas and with people within the same region. It is not peculiar to Haldimand, where you have groups of people questioning some of the things we are doing. Even in Toronto you have Metro Toronto fighting through the courts or the city of Toronto fighting through the courts about the transit system. You have confrontations between hospitals, you have confrontations on things like the Hydro corridor. When you look at these things, when you see these groups of people through the whole province fighting each

other or fighting with the government, you wonder where the heck is the direction, where is the planning, where is the co-ordination for all these things. It is not there.

In the case of Hydro, as an example, you have stuck yourselves on a decision that was made in 1971. You refuse to consider anything else and are going to bulldoze the whole thing through. You have situations where other groups of people are fighting garbage dumps, where one group tries to impose on another group; what kind of planning is that?

As an example, in your plans in the Design for Development series—which could be described as the last bundle of books that were presented—you state that you are going to have growth in the Kitchener-Waterloo area. You are going to do certain things for expansion. But you forget something; the fact that there's no water in the area. You forget or you do not say anything about it. There is nothing in your planning to say how you are going to get water to that area.

Surely these are some rather fundamental things that you should deal with. You should provide some idea of how you are going to resolve these problems, not only because it will help your planning process, but the people in those areas would have some idea about what you are going to do so they can adjust and go ahead.

I think I would be a bit reluctant—I think maybe it frightens me—to suggest that TEIGA should be the central agency doing the directing. My feeling is that this kind of direction should be political and not bureaucratic. The central agency with the clout should be responsible to the cabinet and should further consist of order in council appointees.

Treasury estimates do provide an opportunity to talk about overall control because the ministry is supposed to be a central agency. The problem in Ontario is not that the wrong people are wielding the central power—Treasury bureaucrats for example—but that nobody is wielding power. Nor does there seem to be any political will to exercise that power.

It's not surprising. It's a symptom of the fact that the Conservatives have no sense of mission. They have no sense of purpose. They have no will to co-ordinate their activities. You really have no goals to which you direct those activities. In a sense, Mr. Minister, this department and you are floating like shipwrecked sailors and your only goal is survival—in this case, political survival.

Mr. Nixon: Mr. Chairman, I just want to comment briefly on the same subject. Perhaps the Treasurer might save some of this if he would respond to comments made by the hon. member; but since he is not fighting for the floor, I could only assume he has no response at this time.

I was listening to the comments from the member for Brantford with a great deal of interest, particularly since they centred on criticism of the lack of co-ordination of planning and development in the Haldimand-Norfolk area. I can only assume that the hon. member's expertise comes from when he leaves his home in Brantford and goes down to Lake Erie to cruise on his yacht. But perhaps he has some other source of information as well.

Mr. Breagh: It's a socialist navy, Bob.

Mr. Nixon: I often wonder at socialist principles, but I have stopped being surprised at some of these things.

However, the member is absolutely correct. The government has purchased two major city sites. We've got \$50 million invested in the property. The Treasurer objected, Mr. Chairman, you didn't respond to it but he objected, to this discussion. He said there isn't a dollar in his estimates having to do with this. I'm sure you will recall that the Treasurer's illustrious predecessor was the one who insisted on legislation being passed here, particularly at the time of the development of the powers of the Ministry of Housing. He insisted on a very small bill, just a few lines, which said: "Notwithstanding any other piece of general or special legislation, the Treasurer shall be the chief planner."

I should remember the discussions on that bill, and certainly Hon. Mr. McNaughton used to describe himself as the chief planner of the province.

There is no doubt that the expansion of the Treasury into what we now call TEIGA encompassed that very concept and the Treasurer's predecessor perhaps took it more seriously than the present incumbent does. Mr. White felt himself to be really the father of the new concept and particularly the idea man for a moribund government which didn't seem to know what to do with all the money it had stacked up in its vault.

So they bought the concept that they should buy these large tracts of land, two of them, in the now region of Haldimand-Norfolk. I believe there were other purchases made with which you are familiar, in eastern Ontario and elsewhere.

It seemed to be incredible that the government would decide that while they had purchased one site, the Townsend site, which so far has been designated as the one earmarked for earlier development, they felt that in order to maintain the balance of investment between the historic counties of Haldimand and Norfolk, and for some other reasons which were even more difficult to perceive, an additional city site should be purchased. But the problems have really just begun in the area, since as has been pointed out the rate of growth has been considerably less than that which was originally estimated, and the government has now in its possession a report, which I brought to the Treasurer's attention in the question period a few days ago, commissioned by the government from Woods Gordon and Co. which says categorically the development of the Townsend site should be stopped. It quite clearly states that \$65 million of money from the province—maybe it is not going to be voted through the Treasurer's estimates, but surely it must give him some concerns since he has got to be our chief financial officer—\$65 million must be invested in the next few years, probably five years, in order to get this new satellite town moving, and in fact move it only to a population of 7,000.

The report clearly sets out that new information is available which indicates quite clearly that the development should be based on the present communities that are already in existence. Most of them are already fully serviced.

The minister, who always pays careful attention to my comments, will no doubt recall the basis of the debate at the time of the purchase of these city sites. Actually the debate was with his predecessor, Mr. White, but as usual he paid careful attention not only to my comments but to those made by his predecessor.

The alternative to the procedure that the government is using, which is undoubtedly expensive and disruptive, is to foster the development, at least for the foreseeable future, up to 20 years, around the nucleus of the communities that are already established. The roads are built; they are served by railroads; the schools have room in them; the churches have empty pews, God knows; there are arenas—I knew that would rouse you, Bill.

Mr. Ferrier: Not empty pews, surely not.

Mr. Nixon: There may not be room in your church but there is room in some. The services, while certainly we can't say they are in any way redundant the way they are now,

can be improved and expanded in a way which will accommodate the kind of growth the area is going to have. Now one of the sections from the Woods, Gordon report struck me and I would quote to you:

[9:45]

We believe that there has been sufficient change in circumstances and realistic expectations to alter the statements promoting Townsend which were made with very different information at hand than exists today.

I'm a little concerned about taking a position against Townsend. It's in my constituency and the government has paid the money for the property. While I don't believe that it is the best farm land in the province, if you look at what is available in Oxford and so on, I do believe it has been productive. It would certainly be a shame for the government to go forward and pave it over with parking lots and a new development until it is necessary.

The report clearly points out that the \$65 million the government presently intends to put forward into that new development, will carry over \$30 million in interest charges in the years when the financing will go forward, when according to these independent experts the development is unnecessary. They point out that new statistics and growth trends are available. They are quite different from those that decided the Hon. John White to go forward with this very far-reaching concept of the establishment of new cities.

Personally, I felt he was infected with a virus that gave him delusions of grandeur. Going down into the area to visit his relatives as he often did, he must have seen this beautiful land and thought, now here's where I will make my mark.

Mr. Breithaupt: The Wizard of Oz.

Mr. Nixon: Here is where we're going to develop this fine new city. While he didn't consider calling it "Whitesville" or anything like that, he had this paternal interest in it. Paternalistic, perhaps, would be better, since under his leadership the planning for the whole thing took place. While it had a façade of local involvement, it was left under the direction of the government of the day and is, in fact, in the hands of a back-bench member who isn't even here tonight.

It concerns me, Mr. Chairman, that the Treasurer would imply this is all out of order in a debate on the discussion of the estimates of the Treasury of this province. The concept came from the Treasury, the financing came from the Treasury; there's no doubt this \$65 million, which so far, according to

government policy, is going to be channeled into it, must surely be only with the approval of the chief planner of the province and our chief financial officer.

I am very much aware of the sectional differences within the region. There have to be, since the region is composed of two counties with traditions that go back for a long way. The local council, in its wisdom, has so far favoured the development of Townsend over the development of any other centre. I would think it would be a very difficult thing indeed for that regional council, under the leadership of its chairman, who was appointed by this government, to decide, for example, that Simcoe should be the regional centre.

Of course as is typical of new regions, and this is the wisdom of the locally-elected people now that they have been functioning for a couple of years, they are now looking for a site for a new regional administrative headquarters. They are simply following the pattern of all of the other regions.

Of course, these decisions crop up in the review of the cost of regional government which the Treasurer was talking about when he tabled the documents today and which certainly we'll be examining with a great deal of interest.

We are now in a position where if the government is going to persist in maintaining direct oversight of the development in the Haldimand-Norfolk region, it's going to have to reconsider these positions. If they're going to go forward with the development of Townsend, which is in my constituency and I have that politically vested interest in it, then certainly the justification to overrule the recommendations of these impartial experts will have to be put before this House, as well as before the councils in the Haldimand-Norfolk region.

I'd like the minister to give us his views as to the future of some of these concepts. I sense he feels his predecessor has left him with a load of decisions which he sometimes finds difficult to cope with, which is maybe a kinder way of putting it. Nevertheless, the \$50 million has been spent and the government has retained to itself the operative responsibility for the planning decision; and whether or not there is a dollar in the budget that is before us there certainly has been the commitment of millions of dollars of taxpayers' funds through the authority of this Legislature. Whoever is ostensibly making the decisions, we all know that basically the decision is one that rests with the Treasurer.

Hon. Mr. McKeough: Mr. Chairman, that couldn't be more wrong. The responsibility for Townsend rests with the Minister of Housing. I haven't seen the Woods Gordon report to which the member refers. I am not familiar with the ongoing development of Townsend, other than in my relationship to the regional council, who have not been in touch with me of late on this particular subject. Obviously any move to go against their wishes in the matter would concern me greatly. I am sure that all the points made by the former leader of the Liberal Party are under consideration by the Minister of Housing and in due course I am sure he will discuss the matter not only with the region but with his colleagues and perhaps with the House. I am not in a position to comment tonight.

Mr. Nixon: I have a brief question for clarification. The minister's statement, and more than that his tone of almost disinterestedness in this—I don't mean lack of interest—would indicate that he is not acting as the chief planner and that he is abdicating his role as the chief financial officer in this connection to the Minister of Housing. Does the minister mean that the issues which will arise in this connection should be dealt with not on a fiscal basis in the broader sense but only as a matter of providing housing?

Hon. Mr. McKeough: No, not at all. There is money in these estimates—I suppose a billion dollars—to run the universities of this province. I don't abdicate my responsibility for—

Mr. Nixon: That has to be different. You realize it was under the aegis of the former Treasurer that we got into this, not the Minister of Housing or anybody else.

Hon. Mr. McKeough: Having got into it as a government decision, government delegates those responsibilities to a minister.

Mr. Nixon: Are you not still the chief planner by statute?

Hon. Mr. McKeough: If you want to put it that way.

Mr. Nixon: You put it that way.

Hon. Mr. McKeough: I have never put it that way.

Mr. Nixon: That is what the law says.

Hon. Mr. McKeough: I have not put it that way, regardless of what the law says.

Interjection.

Hon. Mr. McKeough: I have not put it that way, but once a decision is made—and there is a whole host of decisions—certainly the policy of the government, to which I subscribe most fully, is that those matters become the responsibility of operating ministers.

My own ministry has tried very hard to get out of these operational side-effects. We no longer have any responsibilities for North Pickering, for example—direct responsibility. That happens to be with the Ministry of Housing. There is a whole host of other operational matters, many of them large, which we have moved out of and we will be continuing to move out.

Mr. Nixon: This is simply a matter of clarification. The vote we are on is for urban and regional planning, close to \$6 million, and the basis of this report was made public by one Dennis Durrant, manager of the policy division of the regional planning division. How many regional planning groups have we got?

Mr. Makarchuk: Mr. Chairman, on the same point: When this matter—

Hon. Mr. McKeough: Apparently he works for the Haldimand-Norfolk region.

Mr. Makarchuk: When this matter was raised with the Ministry of Housing they said they hadn't yet received the Woods Gordon report. In view of the fact we have a very efficient courier service would you like to send them down a copy of the report so they can see what it is all about?

Hon. Mr. McKeough: I have just indicated I haven't received it.

Mr. Makarchuk: Who has this report then?

Hon. Mr. McKeough: I don't know.

Mr. Makarchuk: Who is responsible?

Hon. Mr. McKeough: It was quoted to me by the member for Brant.

Mr. Nixon: Brant-Oxford-Norfolk.

Hon. Mr. McKeough: Sorry. I don't know that I will be seeing the report. It's a report to the committee and it will end up with the Minister of Housing. There is no reason it would be coming to me particularly at this point.

Mr. Makarchuk: My concern at this time is really not whether or not you will be seeing it, but obviously the ministry charged with the responsibility of carrying out that

function of getting the townsite onstream has not received the report. This is getting back to what we were saying about some co-ordination between your ministries, to make sure they do get this report.

Hon. Mr. McKeough: It is not my report to deliver.

Mr. Makarchuk: You paid for it, didn't you?

Hon. Mr. McKeough: No, I certainly didn't.

Mr. Makarchuk: Who paid for it?

Hon. Mr. McKeough: I assume the Ministry of Housing is paying for it.

Mr. Makarchuk: No, they didn't. They claimed they didn't pay for it. Who paid for the report?

Hon. Mr. McKeough: Either the region or the Ministry of Housing.

Mr. Nixon: It was provincial money.

An hon. member: Taxpayers' money.

Hon. Mr. McKeough: The whole \$12,576,000,000 is provincial money.

Mr. Nixon: You are washing your hands of it.

Hon. Mr. McKeough: I am not washing my hands of it.

Mr. Nixon: It's your baby and it's now an embarrassment. So shove it over to one of these junior fellows as long as it's an embarrassment.

Hon. Mr. McKeough: Do you want me to put you on the hook? What you are saying tonight is it doesn't matter what Haldimand-Norfolk cares. Both the Legislature and the government overrule them and add to Simcoe. Is that the position you are taking? You go right ahead.

Mr. Nixon: They never thought of a new townsite down there until you and your predecessor went down and bought it right out from under them with \$40 million.

Hon. Mr. McKeough: "Great daddy Bob" is going to run the province.

Mr. Nixon: Talk about consultation; there was never a word of consultation. That's when you had lots of money. That was last year before you had ever heard of retrenchment.

Hon. Mr. McKeough: Let it just go on record that the great apostle of strong local government said that a local committee in Haldimand-Norfolk said: We like the Townsend site; we don't agree with an excessive growth in Simcoe; we want to go ahead with Townsend.

The member for Brant-Oxford-Norfolk says: To heck with them; overrule them; forget Townsend and add on to Simcoe. That's the kind of special planning you Grits would impose on this whole province. Ignore local government, just run the whole show; well, we reject it.

Mr. Nixon: Just before the green field-hands here bruise themselves, the Treasurer should know that the planning committee, which he is talking about as having responsibility in the local area, is chaired by his back-bench sycophant, the member for York North (Mr. Hodgson). A Tory from Toronto is chairing the committee by order of this government. The report came to a working committee made up of three provincial civil servants, and two regional employees, and was kept away from the local regional people because it might interfere with their basic decision.

If that's the kind of local responsibility the hon. Treasurer fostered, we as Liberals reject it. It is why you lost that seat and why you are going to lose Chatham.

Hon. Mr. McKeough: The record will show the member said tonight that it doesn't matter what the regional council thinks.

He made some reference to a provincially-appointed chairman. There are another 20 people down there who are elected who will make up their minds. We are going to pay some attention to their view—

Mr. Nixon: As long as they agree with you you will pay attention to it.

Hon. Mr. McKeough: —even if the member isn't.

Mr. Nixon: As long as they agree with you, you will listen to them. You have foisted the whole thing on them down there.

Hon. Mr. McKeough: Even if the member from the area doesn't want to listen, we will listen to them.

Mr. Nixon: You have foisted high taxes; you have taken their farm land.

Hon. Mr. McKeough: Sure, sure.

Mr. Chairman: The hon. member for Oshawa.

Hon. Mr. McKeough: Alfred Judd has got to you hook, line and sinker.

Mr. Nixon: Alfred Judd, the mayor, a fine person.

Mr. Chairman: The hon. member for Oshawa.

Mr. Breaugh: I have heard some amazing things tonight, and I am going to remember them for a while. I am going to remember some of the remarks the Treasurer just made in this House, because they were really good stuff in my area. That kind of planning is going to come back to haunt you. I am going to remember that statement. When a project that came out of this ministry, under a form of planning in the region of Durham, called the North Pickering project, hits their official plan, you might be interested to know that local planning authority has refused to recognize the North Pickering project.

I want to read back those words which you just quoted to this member when it comes in and your entire North Pickering project is thrown out as an official plan. Then we will see how hot you are about local planning autonomy. We will see how much you like it then.

Mr. Nixon: They will reverse anything. Just like your regional health councils—you reverse them any time you want to close the hospitals.

Mr. Breaugh: That's right, with this government there is a secret about local planning. Plan it the way they want it down at Queen's Park, and then you have local autonomy, and that's been said many times.

I want to deal with a couple of pretty basic issues on this particular item. Really, the tendency of this government is to go for great planning documents, which surely is less than half of the planning process. They have a propensity to come out with stacks of paper, to do all kinds of staff reports, and then to put them on the shelf rather than to make any critical decisions.

The only time they deviate from that particular course is on occasion when we see their kite flying some kind of a sample project, like the parkway belt west. It seems their planning is so good, their planning for the Province of Ontario is so excellent, that every-time they try to implement something they are immediately into hot water. They immediately back-track, they immediately stop and desist every other form of planning on a provincial scale in the Province of Ontario. That seems to be something that you do with amazing regularity.

[10:00]

Let me deal too with some of the things that come out of this ministry because the way it works is perhaps as important as how it works. It seems that this particular ministry is charged with the responsibility of putting out the pieces. At the point of implementation or where something might actually be done or where a decision could actually be made, this ministry rather neatly steps out of the way. Somebody else gets that particular job and then, if it falls flat on its face, which it does with amazing regularity, this ministry isn't really at fault.

I watched yesterday, in the Durham regional council, an exercise that I think was rather typical of this government. There were four cabinet ministers present. I thought, frankly, that the regional council, given their problems with the provincial government over the past couple of years, have really treated you well. I thought they received you courteously and I was impressed with the performance because it was a solid Tory performance. Four important people from the provincial government came in, with a few assistants standing around.

The Treasurer made reference to the Durham sub-region report and I thought put rather succinctly the problems that this government has with it that I think are insurmountable. In fact, you said it really was not a planning document.

I, for one, am quite grateful you said that because it would be a disgrace to anybody who had worked in the field of planning to call that a planning document. It's inaccurate for starters. It's based on wrong statistics for seconds and it really doesn't plan anything. The word "strategy" was used, strategy implying that somewhere down the line you will do some of those things and carry out some of those recommendations. If you like, it is planning in that sense if not in a land-use sense.

There were some brief remarks there. I watched another member of the cabinet with a great display of dexterity hand to the regional chairman actually a cheque for \$7 million and some odd cents.

Mr. Nixon: Was that the Minister without Portfolio (Mr. Henderson)?

Mr. Breaugh: No, that was the Provincial Secretary for Resources Development (Mr. Irvine). I was impressed. I'm always impressed whenever I get a chance to see somebody handing over a cheque for \$7 million.

Mr. Shore: How many zeros is that?

Mr. Breaugh: What I thought was nice about it, though, was that it wasn't a gift by any means. It was a loan, probably under some very favourable conditions—interest free, you don't have to pay it back for three years and you've got 15 more after that to pay up.

Hon. Mr. Irvine: You know the terms.

Mr. Breaugh: Nonetheless, what I like about this government is that it has this great ability to hand you \$7 million worth of debt and make you like it. They did that yesterday. They handed to the region of Durham \$7 million worth of debt that the region of Durham had not asked for but that this government had asked for through one of its programmes, and everyone seems pleased about it. It struck me as being a bit odd, but then the way we operate from Queen's Park anyway certainly is.

They went on for the rest of the afternoon answering some questions from the council. There wasn't any planning here, although the purpose of the meeting was, I thought, to discuss the Durham sub-region strategy or plan or whatever that was. I think it brought out some conflicts that this government has. This government really can never be committed to any kind of urban or regional planning. It just cannot. It has within itself a great ideological conflict. It cannot be committed to that kind of planning. If it was then obviously some of those people who bought the \$5-million farms that the Treasurer referred to earlier—and I know of some, and none of them are farmers, who will in fact have bought \$5-million farms and not \$5 million worth of speculative land that will eventually become houses and highrises, commercial and industrial sites—will have paid a grossly inflated price for a place to run quarter-horses. That is what's going to happen.

If this government was prepared to do some kind of sensible planning in that area, then it would be in natural conflict with that kind of a system. That is a basic problem and, I'm afraid, a basic conflict that you just cannot get around. You cannot bring yourself to accept that if you did some sensible planning there would be some winners and there would be some losers. This government can't accept there would ever be losers, particularly on the side of the corporate entity. It's quite prepared to say there will be small guys who lose and that there will be working people who lose but it is not prepared to say that in Ontario there will ever be a major corporation lose and that there will never be a speculator lose. You are always dangling out that carrot.

One of the things that I'm interested in, too, is the way you go about the kind of half-hearted efforts you make at planning. It's surprising in particular how a party which purports really to identify itself with the free enterprise, big-business system can be so inept.

It is amazing how you keep buying town-sites in places where there isn't any water supply. That is really a fantastic exercise. It is amazing how you go about buying land through local realtors without having seen the land, not even knowing, at least in a number of cases, where the land is, or what kind of land it is—whether it is good farm land or bad, or good land to build houses on, or bad. Not knowing whether or not there is sewer or water capacity in the area or any potential ever to get it in the future, except at great public expense. Nonetheless you have that tendency to buy that kind of land.

That seems to me to be a strange thing. One that I really can't sort out. If you really are a party that identifies with the free enterprise system, with big business, or business in any sense of the word, why do you keep making such ludicrous business propositions and buying land in the wrong place? That really confounds me. It strikes me that if you were efficient businessmen you would never make that kind of bad investment, yet you do it continually.

Let me deal with a couple of other things about you that really bother me—like the urban planning and regional planning that is done by this ministry. It is purportedly known in the boondocks—like in the region of Durham—that TEIGA really is the major ministry. That is the ministry that ties together all the plans of the entire provincial government. Yet I find some strange things going on.

Nobody is tying together the plans from other ministries, and I think we should all recognize that fact. There are ministries operating in conflict with one another, at great public expense, all the time. And there is nobody sorting them out. There is nobody providing that kind of direction. There is nobody prepared to take it on publicly. What happens is that ministries get themselves backed into a corner with their own little plan, and then get themselves abandoned with great regularity.

Aside from the fact that it is a little dumb to do that kind of thing, it also turns out to be massively expensive. I would have thought with a ministry whose major emphasis is probably in dealing with money and

the Treasury itself, that you wouldn't allow that to happen, but it happens time and again.

In my own area—and I really blame you for this one—there was a study on early forms of regional government called the OAPAD study. You laid out \$1 million for that study at a time when there were some tough decisions to be made. It appeared that locally you probably needed some help to make some kinds of decisions because there were naturally conflicts between the area municipalities. You totally abandoned it. After you had laid out the \$1 million you threw it out the window. And when it did come time to put a regional government into that particular area you threw out almost every concept that was put together in the OAPAD study. You never used it. You paid \$1 million for nothing.

Then if you run on through that particular area you will find a new highway being planned—except that now it is not being planned. But the money was spent to get the planning under way, the series of public hearings was set up, and then the election came. I think quite sensibly in the middle of an election—you sure wouldn't want to face that kind of stuff—you scrapped it. It is now scrapped entirely.

You went into the North Pickering project. You went into the York-Durham sewer agreement. I was rather pleased that the minister had the unmitigated gall to mention that project yesterday as being one that showed good co-operation between the region of Durham and the Province of Ontario. In my mind when a regional municipality takes the Province of Ontario to court that can hardly be called good co-operation.

Mr. Makarchuk: They are used to spending time in court these days. It's a way of life with them.

Mr. Breaugh: It was one of their early forays into that field.

Mr. Makarchuk: They haven't been doing too well either.

Mr. Breaugh: There are some simple lessons to be learned by that entire process, and it appears you haven't learned them. They were mentioned yesterday by a good friend of mine who happened to be the Conservative candidate in the riding of Oshawa last time around. Because he has dealt with your ministry a good deal, he knows some of the problems. I don't know why but you get the staff people together and let them go away

for six months and come back with some kind of task force report that somebody puts on a table somewhere and nobody makes any decisions about.

I don't know why you don't go to those local people, if you believe so strongly, as you just said, in local autonomy and local planning decisions, and letting those people decide for themselves. Why don't you go to them first? Why don't you talk to them? The region of Durham you were talking to yesterday in two weeks time will have their official plan documents on the table ready for political discussion and final political decision. Two weeks ago you tabled in this House a document that is directly contrary to that regional official plan.

Have you nobody on your staff who ever took a look at what they are doing? I know you do, because several of them have been out and made representations to the people who are putting together that regional official plan, and it so happens that the representations from the government of Ontario are in direct conflict with the things that those people locally want to do.

How come you can't sort that out? Surely, with all the money and the wealth and the power and the people and the paper that you've got, you could learn some basic truths? If you really believe in local autonomy, you would, for starters, go and talk to the people locally, not send your staffers out, not do a million-dollar report, go and talk to them and don't hand them a \$7-million debt. Just take the time to talk to them and ask them what they want, what are their ideas, and see if you can't work some things out with them.

In the end, you can. In the end, you did, with the York-Durham sewer agreement. I don't agree with that thing yet, but the majority of that council went along with that. After a session in the courts, and after a long session when your ministry officials came out and talked to them, the majority of the members of the council went along with that. I would like to say it is not particularly, in my view anyway, because it is a good idea, but because they got blackballed on the project.

In effect, one ministry of the Crown said, "You don't get your own sewer and water problems cleaned up unless you opt for this agreement." So at least two of the municipalities were in a rather sad position. They couldn't get their own sewer and water problems fixed. Even though it would have been quite conceivable to do it on a much smaller scale and a much cheaper scale locally, they

had to opt into that York-Durham sewer agreement, and you put it to them.

That whole agreement fundamentally was set up initially not to deal with the region of Durham at all, but in fact to solve some engineering problems in York and even then, only because it was one of several alternatives available—not necessarily the best, but only one. There are some basic conflicts that you've got there.

I want to take this occasion again to thank the Treasurer in particular for giving this party three seats—three of them—in the region of Durham. There is only one left and the sitting member there had a landslide victory of less than 100 votes. He is called "Landslide Newman" in that particular area.

We were quite ready to go at it again, because the basic problems are still there. The basic planning problems in that particular area are immense, and I'm not sure that this government appreciates them yet. The reason I think that is that I saw the Durham sub-region planning or whatever it is, strategy or whatever. There are some basic urban problems being faced in that area by the people in all of those municipalities, problems that you have task forces investigating—I'm sure there are a number of them covered under this particular vote—how local municipalities are financed and how they are governed, on what makes sense and what kind of co-ordination you should have. There are basic problems there, and yet that strategy, plan or whatever it is that you tabled in this House, purports to more than double the population projections that anybody locally had imagined. I heard the minister say again yesterday that he was unhappy with the idea that those municipalities had opted for a lot levy. They are bad things.

There was no choice. The choice very simply in those municipalities, because of their financial position, is you either go for the lot levy or you stop building houses, period, because with the kind of urban growth pressure that they have had in the last 10 years, they can't afford to allow any more houses. Yet they feel a social compulsion to let housing into the area, not because they're coming in at a reasonable price, and certainly not because our people need housing, because they will not be able to afford the houses that are built in that region despite all the OHAP plans or any other plans that this government has ever put forward. To qualify for a house in Oshawa, one must earn \$15,000, and even our average income in a supposedly high-paid industrial town is not that high, and they can't get in there. They can't buy a single-family home on the

free market. If that is good urban regional planning, I would hardly agree with that at all.

The people in my riding, the people in my area, can't afford to buy a house there. Yet you are now purporting to put almost double that population, even by their wildest projections, into that area probably within the next 20 or 30 years. That's hardly planning and hardly consideration. If you are doing this kind of urban and regional planning, where are all the little things that go together—all the little pieces that would ever make that work? If it isn't strategy as opposed to a land-use plan, where are the things that will make it happen?

[10:15]

The document tabled in the House addresses itself very briefly to a couple of them. It says, quite frankly, that you might relocate some government offices, and that's a good thing. We don't deny that, and we would like to see them out there as well.

They are not big employers, by and large. They are not big economic boosts to the region, by and large. They might be a matter of convenience. They will provide some service jobs, no questions, but they are not going to straighten out any real problems in that area. There might be some help, it's said—some assistance, I believe was the word used—in servicing industrial land but it is not specified. Even with all the people and power available we still haven't figured out how we are going to put that together.

Yesterday afternoon's session with the region of Durham dealt with that rather loosely, I thought; certainly not very definitively. We still really don't know.

In my own office we made some inquiries about that because we are pretty interested in that. As of Friday of last week, nobody knew. Nobody even knew who was going to head up the task force. On Monday we had a couple of names but the rules were not set out.

What is going to happen again, I'm afraid, is that a provincially appointed task force is going to sit down here and draw up a number of recommendations and probably cost us some more money. The people in that area are probably going to be the last ones to know again. I hope not. I really hope we have learned some lessons.

I hope you took heed of the words given to you at the regional council yesterday. I hope there will be some involvement. Frankly, I don't see why you don't go to that council, talk to them and ask them what they

have, what they want, what they need, and bargain from that kind of a position. Frankly, I don't think that's going to happen. It hasn't happened yet, anyway.

There really needs to be some basic reforms done in that kind of government. This is the ministry which at least is charged with the responsibility of putting all that together, of doing that kind of urban and regional planning but it hasn't happened yet. We still don't see any signs that you are prepared to do one or two things. Perhaps, first and foremost, is a major shift to stop the idea of having people up here draw up reports for people down there. I don't see any movement to go to talk to them, to go to deal with them in a very realistic way at all.

I saw a little bit of this yesterday, too. There seems to be real antagonism particularly between the Treasurer and local people. Local people are standing up, one after another, saying, "Our mill rates are escalating to a degree that we can't handle any more." The Treasurer is saying, "Nonsense. Everything is rosy. Property tax is okay."

There are people getting hoofed out of their houses because they can't afford to pay the taxes any more. They are saying, "It's too much," but the Treasurer, of course, knows better than that and is saying, "It's not that bad at all. In fact, it's much better than it ever was."

In terms of planning transition, if you like, of power or the decision-making process there really isn't much going on there, either, because there has been a kind of dumping effect. A good number of functions which were carried on by the Province of Ontario have been dumped on local municipalities. I think in some cases they are ready to take those on and in others they are not but whether they are ready or not, the plain fact is that in a number of instances they can't afford them even if they want them. That is what is causing that escalating property tax in local government.

It is serious. I don't care whether the Treasurer feels that kind of pinch personally in his home or anywhere else but I would note that there is no regional government in the Chatham area. If it's such a hot item I would think he would be fighting like mad—he certainly can do that—to bring regional government to the Chatham area. I wonder whatever happened to that? I seem to recall an announcement or two some time ago that that was one of the areas of the Province of Ontario which ought to have regional government and they were going to make some

moves on that line. I don't see it there. About the time they started to make that kind of noise, the province decided it would stop implementing regional governments anywhere.

I want to make a couple of points in summation. There are some real problems in this kind of urban planning and I don't see any major moves on the part of the government to get at them. I don't see any serious moves to reconsider the kind of responsibilities put on local municipalities. I really don't. I see a few little task forces floating about here and there but I don't see any major moves to change that.

I don't see any substantial movement in terms of, if you like, local government financing but that's a bit of a misnomer because those people are taking on much more responsibility than they ever did. They're not just building sidewalks any more; they are into a number of other things. In a number of cases those are items which at one time were substantially carried out by the Province of Ontario. They are no longer done that way. The province is slowly but surely moving out of those areas.

In one sense I think the province does a considerable amount of planning. It plans how to get out of things—what's the best way to retreat—what's the best way to move back from a particular thing. Particularly when it starts to get expensive and particularly when it's not a popular thing to do in an area. I think I want to stop on these last two points.

If you're really going to do this, you ought to do it. You should stop messing around. Either that, or say this Province of Ontario doesn't believe in planning at all, it's just going to let it all go.

If you want to do that, that's fine, but I think you should serve notice to the people of Ontario that that's what you're going to do. You should simply say that the Progressive Conservative Party believes in the free enterprise system so strongly, that the needs and wants of the public-at-large don't matter, that we're out to let people make a buck for themselves and if they hurt other people in the process, too bad. If the public purse has to pick up the tab at the end of all that, too bad. If that's what you want, that's what you should say.

The second point I want to make is if you're going to continue to spend millions of dollars on planning documents, why don't you spend a few bucks on talking to the people whose lives you affect by putting out those planning documents? Why don't you

take the time and trouble to go and talk to them on a regular basis?

I know that if the minister cares to reply, he will surely say that they go and talk to people. That's true. He makes an appearance, it's kind of like a guest appearance. This government is famous for that kind of stuff—when the horse is stolen, they go out and look at the barn door. No question about that. They do that with amazing regularity.

When the plan is all in document form, when she's all typed up and put away, when the \$2 million or whatever has been spent for that kind of planning document, then they take it down to them and say, "How do you like it, guys? Do you want to do anything with this, or no?"

When it comes to people saying to you, how about some money to implement some parts of that plan, it's always "Let's negotiate" from that point on.

Why not do a little negotiating about the plan? Why not get in a little early? Why not talk to those people early? You made dramatic points about talking about local autonomy in urban planning. Why don't you do that?

Mr. Chairman, there are a number of other problems that we have. There are a lot of things that you could go on and on, but I think I'll leave it there. I would be frankly interested in some kind of a response from the minister. I can anticipate the kind of response we will get, but I think that that perhaps is just as good to put on the record as any kind of a serious response that we might get from him as well.

Mr. Chairman: The minister has no response. We are on vote 1006, item 2, urban and regional planning.

Mr. Good: Just one matter under this vote, municipal legislation. Would the Premier (Mr. Davis) comment on the matter which was brought up earlier about which I had asked a question of the Minister of Housing?

Hon. Mr. McKeough: I am sure, if he were here, he would, but since he isn't here, I will.

Mr. Nixon: If he were clairvoyant, he would.

Hon. Mr. McKeough: Under local government services?

Mr. Good: No. Under municipal legislation.

Mr. B. Newman: Programme analysis.

Hon. Mr. McKeough: Yes. Which would come under item 4. Have we moved to item 4?

Mr. Good: Under item 2, there is according to the sheet which you gave—

Hon. Mr. McKeough: Okay, sorry—Public Utilities Act. First of all, there is no intention at this moment to move on legislation in Thunder Bay at this session of the Legislature. They go on arguing up there, and I guess they're going to go on arguing, period. The courts have to settle it.

I'll be glad to send a copy of the letter to the member which I sent to several people—well, we've only had a few letters—with reference to the Public Utilities Act. Basically, the underwriters urge the city, and us particularly, not to pledge certain assets, but all assets, when they borrow—the reverse of the situation, I may say, because the member has pointed this out to me in terms of the industrial parks, and we're taking another look at that as well.

Mr. Good: The matter to which I wanted a reply was my question this afternoon when I suggested that as far as I know there is no legislation allowing municipalities to levy a fee with an application for a zone change or a development permit. I recognize the expense involved on the part of a municipality, and I recognize the fact that anyone would be foolish to suggest they weren't going to pay this fee because it is illegal and try to get a zone change. Do you plan anything to right this situation?

Hon. Mr. McKeough: Not at the moment. The whole question of the fees and licensing is under study. A month ago we tabled two studies with the Provincial-Municipal Liaison Committee, and those are to be discussed tomorrow morning. Out of those discussions may come some policies, but I simply can't answer the question as to whether we plan legislation. I think it would be the Minister of Housing's legislation, rather than mine, to regularize something which has gone on for a long time.

Mr. Good: Mr. Chairman, the point I want to make is that it is not a matter of regulating the fee; it is the fact, as I understand it, that there is no legislation now which even permits the municipality—

Hon. Mr. McKeough: I didn't say regulating. I said regularizing something which has gone on for a long time.

Mr. Good: Yes, which really is illegal, under present legislation. There is nothing

in the Planning Act or the Municipal Act, but everyone has been doing it; they have to do it to offset the fees involved. People are being blackmailed into paying the fee, because if you refused, you probably wouldn't even have your zoning application dealt with by council. I think the municipalities are somewhat concerned about it; in fact, those to whom I have spoken are concerned about it. They feel it is a grey area and they would like the thing regularized by legislation.

Hon. Mr. McKeough: We are looking at it.

Mr. G. I. Miller: Mr. Chairman, I rise in defence of my riding of Haldimand-Norfolk, which has got kicked around considerably tonight. I would like to point out that Haldimand-Norfolk made a study a few years ago, and they indicated at that time that the existing municipalities should be allowed to expand first. That was a recommendation made by the local representatives. We do have an industrial park, which is developing at a fairly good pace. I think we are going to have growth. The predictions of the potential for growth have been on and off, but I think it is still perhaps a question mark; it depends on the economy. But there are a couple of questions I would like to ask in regard to urban and regional planning.

Mr. Chairman: Would the hon. member prefer to defer those questions? It is time for rising and reporting. Would he prefer to do it at a later time?

Mr. G. I. Miller: I could do it later, yes.

Hon. Mr. McKeough moved that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report it has come to certain resolutions and asks for leave to sit again.

Report agreed to.

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in her chambers.

ROYAL ASSENT

Clerk of the House: The following are the titles of the bills to which Her Honour has assented:

Bill 45, An Act to amend the Corporations Tax Act, 1972.

Bill 47, An Act to amend the Ontario Guaranteed Annual Income Act, 1974.

Bill 78, An Act to amend the city of Thunder Bay Act, 1968-1969.

Bill Pr9, An Act respecting the Kent County Roman Catholic Separate School Board.

Bill Pr12, An Act respecting the city of Burlington.

Bill Pr13, An Act respecting the city of Toronto.

Bill Pr21, An Act respecting the Dovercourt Baptist Foundation.

Hon. Mr. McKeough: Mr. Speaker, before moving the adjournment of the House, I would remind members that the House will not sit tomorrow, although many of us will be here carrying on the good work of the people and, in fact, some of us will be here

for the whole weekend in that great endeavour.

Mr. Nixon: That's going to be great, isn't it? We are going to be able to go home.

Hon. Mr. McKeough: On Monday, as I understand it, the debate on the budget will continue from 3 p.m. until 5 p.m., with the private members' hour from 5 p.m. until 6 p.m. On Tuesday, we will deal with legislation in the afternoon—Bills 69 and 59—and continue the budget debate at night. On Wednesday, the House will not sit. On Thursday, the estimates of this ministry will continue, to be followed by the estimates of the Ministry of Colleges and Universities. On Friday, we will be back into the debate on the budget.

Hon. Mr. McKeough moved the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 p.m.

CONTENTS

Thursday, May 13, 1976

Estimates, Ministry of Treasury, Economics, and Intergovernmental Affairs, Mr. McKeough, continued	2281
Royal assent to certain bills, the Honourable the Lieutenant Governor	2309
Motion to adjourn, Mr. McKeough, agreed to	2310

SPEAKERS IN THIS ISSUE

Bain, R. (Timiskaming NDP)
 Breaugh, M. (Oshawa NDP)
 Breithaupt, J. R. (Kitchener L)
 Bryden, M. (Beaches-Woodbine NDP)
 Eakins, J. (Victoria-Haliburton L)
 Ferrier, W. (Cochrane South NDP)
 Ferris, J. P. (London South L)
 Good, E. R. (Waterloo North L)
 Irvine, Hon. D. R.; Provincial Secretary for Resources Development (Carleton-Grenville PC)
 Makarchuk, M. (Brantford NDP)
 McKeough, Hon. W. D.; Treasurer, Minister of Economics and Intergovernmental Affairs
 (Chatham-Kent PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Moffatt, D. (Durham East NDP)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Renwick, J. A. (Riverdale NDP)
 Shore, M. (London North L)
 Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)
 Ziemba, E. (High Park-Swansea NDP)

Ontario. Legislative Assembly



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Third Session of the 30th Parliament

Monday, May 17, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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CONTENTS

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LEGISLATURE OF ONTARIO

MONDAY, MAY 17, 1976

The House met at 2 p.m.

Prayers.

Mr. S. Smith: On a point of order, I would like to introduce to the House, Mr. Speaker, in the gallery to my left, the Minister of Public Works and Supply from the Province of Quebec, the Hon. William Tetley.

Mr. Lewis: The Hon. William Tetley has doubtless learned that we are out of money, although he is more than welcome.

Mr. Speaker: Statements by the ministry.
Oral questions.

URBAN TRANSPORTATION

Mr. Lewis: A question first, if I may, to the Minister of Transportation and Communications, as he takes his seat. What kind of contractual arrangement has Ontario entered into through the Urban Transportation Development Corp., which involved the expenditure of some \$6 million in the last year, I gather from news reports, and with no estimate of money in the forthcoming three years as yet, to—quoting the information officer of the corporation—“pick up the pieces of Krauss-Maffei”?

Hon. Mr. Snow: Mr. Speaker, there's no secret about what the Globe and Mail published very factually last Friday. This is exactly the proposal that was announced by my predecessor about a year ago. I believe it was April 14 of last year that my predecessor made a statement in the House announcing the steps that were to be taken; that there was to be a research and development project carried out by the Urban Transportation Development Corp. and that the corporation would report to the government at the end of stage two—I believe that was the terminology—at which time a decision would have to be made as to whether funds would be made available for further development. At the present time, as reported in the Globe and Mail, that year or 13-month period is up. They are approaching the end of the phase two part of the project now, and I expect the

corporation's status will be considered by cabinet in the very near future.

Mr. Lewis: By way of supplementary, since Mr. Brezina, the information officer, indicated this was not an off-the-shelf project, that it was a high-risk project, is there any way of recapturing for Ontario part of that \$6 million, or future expenditures, if the result of this project is as ill-fated as Krauss-Maffei was, even though we are now using wheels, which is an innovative thought?

Mr. Breaugh: Round ones?

Mr. Lewis: What contractual protection is there for the public of Ontario as the ministry continues to experiment with these abstract alternatives rather than simply developing a light-rail transit system for the public transit needs of Ontario?

Hon. Mr. Snow: I think the government made what I guess one would call a contractual relationship with the Urban Transportation Development Corp. a little over a year ago and funded the corporation to the tune of \$6 million to proceed with research and development of new modes of urban transit vehicles. I think it is high time we proceeded with the development of this type of technology in a country the size of Canada, in a province the size of Ontario, and considering our needs for transit vehicles.

I for one, as a resident of this province, want to see this technology developed in Ontario so that we can manufacture here, the needs for Ontario at least, if not for all of Canada. As I have said, the corporation has been carrying out its mandate to date. There is a time coming now for a decision by government to carry on with this type of research and development.

Mr. Nixon: Supplementary: Since much was made of the fact, at the time of the withdrawal from the Krauss-Maffei deal, that their test facilities in West Germany would be available to us, do we still have engineers working with Krauss-Maffei? If not, can the minister tell us how much of that \$6 million was spent in West Germany for this kind of engineering liaison?

Hon. Mr. Snow: I haven't got an exact breakdown. I would doubt whether it was very much—

An hon. member: It could be built in Oshawa.

Mr. Lewis: It will never be built.

Hon. Mr. Snow: I think there was a decision—

Mr. Lewis: This is just another unnecessary expense.

Mr. Speaker: Order, please.

Hon. Mr. Snow: —made and announced some time ago as to the discontinuance of the Krauss-Maffei project. The decision was made to proceed with other lines of research and development.

Mr. Nixon: Are there any engineers over there?

Hon. Mr. Snow: No. I do not believe there are any engineers in Germany; nor has there been for some period of time. I'd have to verify for sure when the last person was over there. The new research and development is on a facility which would be truly developed and manufactured here in Ontario—or at least in Canada—with probably some components from other areas.

Of course, we have had engineers and people in Europe working on the new street-car project which is under way at this time.

Mr. Singer: It is a round thing.

Hon. Mr. Davis: Most wheels are round. They have been that way for some time now.

Mr. Singer: You've just discovered the wheel. That's your secret weapon for the next election.

An hon. member: Why don't you hit him over the head, Margaret? Quiet him down.

Mrs. Campbell: That makes him transportation man of the year.

Mr. Shore: A supplementary, Mr. Speaker: As a member of a party which believes in the private free enterprise system, has the minister totally satisfied himself that there are no free market companies available to investigate and pursue this matter without the government getting involved in it?

Hon. Mr. Snow: Yes, I believe that is the case. I believe I'm totally satisfied in that regard. I think government at one of the

senior levels has to fund this type of research and development.

Mr. Lewis: Shocking!

Hon. Mr. Snow: Obviously the federal government has no interest in research and development of this type.

Mr. Nixon: You wanted to invest in Krauss-Maffei.

Hon. Mr. Snow: It prefers to buy foreign-made products.

Mr. Nixon: Like Alberta did.

Mr. Lewis: Your dependence on the public sector will bankrupt us all.

Hon. Mr. Davis: It won't bankrupt you, though.

SPADINA EXTENSION

Mr. Lewis: If I may, Mr. Speaker, I'd like to address a question to Bill—to the Premier, I'm sorry. If I remember his memorable "Go Spadina" speech of Aug. 8, 1975, he said that there would be no paving of the Lawrence to Eglinton extension until certain conditions had been met—one-lane exit ramps; the province taking the property south of Eglinton; a 3-ft buffer strip transferred to the city of Toronto—none of those things has happened as I understand it, yet the paving is proceeding. Can the Premier indicate when the government intends to act?

Hon. Mr. Davis: Mr. Speaker, I'm meeting with the mayor of the great city of Toronto plus, I gather, representatives from York, some citizens, around 3:30 this afternoon—

Mr. MacDonald: The great borough of York.

Hon. Mr. Davis: The great borough of York—around 3:30 this afternoon, at which time we will be discussing a number of these matters.

As I recall the statement I made in August and a further letter from the Minister of Transportation and Communications to the chairman of Metropolitan Toronto, certain conditions were set out. There is some questions as to the exact location, for instance, of the 3-ft reserve where the geographic limits of the city of Toronto begin or end. There is no problem in terms of the government's commitment with respect to that reserve. If it has to be in some other location, I understand there's no problem with that. I think it's quite possible that we can give a 3-ft

reserve as well to the borough of York if that is helpful.

The understanding, and I didn't bring the correspondence with me, was with respect to other parts of the right of way where probably the province would take title and lease back. There may be some discussion as to whether the leasing back should be to Metro or to the city for the housing component because I'm not sure who is best able to deal with it. I think that's a matter which can be negotiated. The other significant part of the understanding, as I recall it, was that there were to be two ramps, one southbound and one northbound, and they were in fact to be single ramps. I just heard a rumour that there had been some design sent forward that there were to be two ramps. I think that too could be rectified, because my recollection of the announcement in the minister's letter was for a single ramp. I am quite satisfied that the commitments made by the government can be met.

[2:15]

Mr. Singer: Supplementary: Is it fair to assume that the commitment given by the Premier remains substantially as it was, subject to whatever negotiations he was talking about?

Hon. Mr. Davis: Yes, I think so. I expected the member for Wilson Heights, after a phone call from a very active alderwoman in that area related to this issue—

Mr. Singer: No, she hardly ever talks to me.

Hon. Mr. Davis: —I understand she was in touch with him last week before she went away for a few days.

Mr. Singer: Before she went on holidays.

Hon. Mr. Davis: Yes. She got in touch with me after she was in touch with him and I indicated that it was to be basically that which we said it would be last August; and again I think the letter went in November.

Mr. S. Smith: Un ménage à trois.

Mr. Singer: Is she going to be a candidate this time?

Hon. Mr. Davis: What I found a little bit intriguing is that all of this was stated and documented; but according to some of the news reports I have heard and read and some of the discussions, that letter couldn't have been read by too many people, nor the statement that was made in August. I am meeting with them in any event.

HOSPITAL CLOSINGS

Mr. Lewis: A question of the acting Minister of Health in the spirit of the new freedom of information and requests for the freedom of information which surge through her party. Can the acting Minister of Health now table the rationalization study for the psychiatric hospitals in Ontario, which premised the closing of Goderich and Northeastern and which has been requested unsuccessfully for several months in the Legislature?

Hon. B. Stephenson: It was my understanding that in fact the Minister of Health had responded rather fully to the question of the hon. Leader of the Opposition in the House.

Mr. Lewis: No.

Hon. B. Stephenson: Oh, I stand corrected.

Mr. Lewis: With respect, I don't think that is accurate. Can the minister find that rationalization study?

Hon. B. Stephenson: I can certainly attempt to.

Mr. Lewis: In the same spirit, does she think she can trust us with the regression analyses for the various hospitals that resulted in the ward closings and reduction in dollars about which we have spoken in the Legislature?

Hon. B. Stephenson: As I have said to the hon. Leader of the Opposition previously, I most certainly can explore the possibility of releasing that information to him.

VINYL CHLORIDE STUDY

Mr. Lewis: By way of a related question in the same spirit, can the acting Minister of Health release to the Legislature the material on vinyl chloride, whatever it is, that exists within the occupational health branch of her ministry?

Hon. B. Stephenson: Mr. Speaker, this spirit is always very willing, and I shall be happy to release whatever it is we have within the Ministry of Health regarding vinyl chloride.

Mr. Lewis: Supplementary: Why does she continue, I guess as recently as last Friday on the CBC, to speak of a tentative threshold limit value in the United States when, in fact, the threshold limit value in the United States has been one part per million since Jan. 1, 1975, is down to zero in other jurisdictions, and Ontario still manages to maintain a highly

hazardous level of emission of 10 parts per million, even though the ministry has a study now of vinyl chloride as an airborne hazardous contaminant, which shows that even in airborne emissions the levels allowed by government have been exceeded?

Hon. B. Stephenson: It is my understanding that although the level of one part per million has been recommended in the United States, it has not been accepted.

Mr. Lewis: Her understanding is unreliable.

Mr. S. Smith: Supplementary: Is the minister not aware that after the appeal was defeated in the United States, the level of one part per million has been in force, not since Jan. 1, as suggested by the Leader of the Opposition, but since April 1, 1975? The appeal, in fact, was lost and this has been in effect since April 1.

Hon. B. Stephenson: I shall certainly explore the information which I had developed which is, according to the leaders of the two opposition parties, incorrect. But it was my understanding that it has not been universally accepted within the United States at this point.

Mr. S. Smith: Just call the occupational safety and health administration in Washington.

ASBESTOS-CANCER STUDY

Mr. Lewis: In fact, it is the established level. But leaving that, one last question for the acting Minister of Health. Can she also, then, table with the Legislature the material which has been prepared for her by Dr. Stewart of the Workmen's Compensation Board and Dr. Ritchie of the University of Toronto, indicating, I believe, that stomach cancer is a compensable disease consequent on asbestos exposure and upon tabling that material, institute compensation for workers who have died from or are suffering from stomach cancer induced by an asbestos environment?

Hon. B. Stephenson: Mr. Speaker, I think the hon. Leader of the Opposition is labouring under some kind of misapprehension. We do have an interim report from Dr. Ritchie, which at this point I believe is not entirely directed in the direction which the hon. member would lead us to believe that it is. That report will be available to me shortly. I have not seen it as yet. I have been told about it, and when I have seen it, perhaps

we are going to have to move to further research in this area, because I gather that the report is somewhat ambivalent right now and I would like to read it first before I make any commitment about it.

Mr. Lewis: Can the minister, in the interests of public security and information, table these most important documents, like that of Prof. Ritchie and the comments which will accompany it by Dr. Stewart and Michael Starr, chairman of the Workmen's Compensation Board, so that we can be privy to some of these internal discussions upon which the livelihood of working families is then based?

Hon. B. Stephenson: Mr. Speaker, this is a philosophy which I think has been pretty much evident within the Ministry of Health of this government at any rate.

Mr. Lewis: It certainly has not.

Hon. B. Stephenson: We have had some internal studies which are not as yet completed. When they are completed, the results of those studies may most certainly be publicized to the members of the Legislature.

OIL PRICES

Mr. S. Smith: Mr. Speaker, disappointed as I am that some chap by the name of Bill doesn't bear me sufficient warmth, I am concerned that he may not permit me sufficient heat either. I would like to ask the Premier, with regard to his marvellous energy policy, considering that Premier Lougheed has now not denied that he has threatened to keep his oil in the ground, would the Premier recommend that the Prime Minister of Canada and the federal Parliament act under section 92(10c) of the British North America Act and declare the oil in Alberta as "a work for the general advantage of Canada," and in that way prevent the Premier of Alberta from withholding his oil, and in that way also not give him any more money than the Premier has already offered him in his blended price scheme? Wouldn't that be one way of keeping the price of energy down?

Hon. Mr. Davis: Mr. Speaker, I must say to the member for Hamilton West that if he—

Mr. S. Smith: The leader of the third party.

Hon. Mr. Davis: —sensed any lack of affection or warmth or enthusiasm in my remarks on Friday, I guess it really comes from my not knowing him as well as the Leader of the Opposition yet. I am sure that affection

will develop over the years, as he retains his position where he is and I am here, as we get to know one another.

Mr. S. Smith: The Premier may be Stephen's opposition but not my competition.

Hon. Mr. Davis: I am intrigued by his continuing to question on this issue, and one might almost feel that he is asking questions on behalf of the Prime Minister of Canada. I am very suspicious.

Mr. S. Smith: Why don't you answer on behalf of the Premier of Ontario?

Hon. Mr. Davis: I am very suspicious, after the luncheon or whatever the member had with him on the Friday after the meeting. I think if the hon. member will look back he may find that the Minister of Energy (Mr. Timbrell) has already suggested, and so have I, that the Act dealing with this is available to the federal government and that is what federal governments are all about.

Mr. S. Smith: And the Premier recommends that, does he?

Hon. Mr. Davis: I think if the hon. member really had thought of his question last Thursday he would have recognized that even if there was some threat—and I question the use of that word—it's quite obvious there is a very simple solution, and he has touched upon the solution which is known to all of us.

I would say this, I think it would be regrettable if the federal government and the Prime Minister were forced into that position, but that really is what it's all about.

Mr. S. Smith: As a supplementary, to be sure that I understand the Premier: Is he saying that in the regrettable instance that Premier Lougheed stays firm and refuses to give up oil at the price the Premier of Ontario is offering him, that is what the federal government ought to do and that's what federalism is all about? Did I understand him correctly?

Hon. Mr. Davis: First, I didn't offer the Premier of Alberta anything. I want to make that abundantly clear.

Mr. S. Smith: The blended price.

Hon. Mr. Davis: I didn't offer him a price at all. I offered the other first ministers of this country what we thought was a pretty logical approach to this question of pricing of energy, and if the member wants a long

dissertation on that, I will tell him just why I think it's very good.

Mr. Shore: No. We want a short yes or no answer.

Hon. Mr. Davis: But Ontario did not offer a price to Alberta. We did not offer to Alberta a price. If the member for Hamilton West (Mr. S. Smith) is once again attempting to get me to say what the Prime Minister should do to help him, if he has to do it, I'm just intrigued. I really wonder if there isn't some form of direct communication with the Prime Minister of Canada's office.

Mr. S. Smith: This is what federalism is all about.

Hon. Mr. Davis: I have simply said that the federal government is there to govern. If it has responsibilities and if they become complicated in this area, I can only assume, as a citizen of this country, that it will exercise that responsibility if necessary.

Mr. S. Smith: This is what federalism is all about.

Hon. Mr. Davis: And you knew that last week.

Mr. S. Smith: I am tempted, of course, to continue this line of questioning to find out whether the federal government should declare our uranium and our nickel also something to the general advantage of Canada, but we'll move onto another area.

Hon. Mr. Davis: In answer to that question—

Mr. S. Smith: They have with uranium but not with nickel.

Hon. Mr. Davis: —I would be delighted to say to the member for Hamilton West that if uranium became a much sought-after resource by our sister provinces and if they found this necessary to the general well-being of their economies, I would be very disappointed if uranium costs in the Province of Manitoba or any other province were in excess of those being paid by Ontario Hydro here.

Mr. S. Smith: I trust people will notice that this surrender of provincial autonomy is a remarkably interesting one and occurred on May 17.

A question for the Minister of Community and Social Services—

Hon. Mr. Davis: Some of us are Canadians first, Ontarians second.

Mr. Speaker: Order, please.

GOVERNMENT STAFF SALARY REDUCTIONS

Mr. S. Smith: To the Minister of Community and Social Services: Is he not now prepared to admit to the House that as a result of the reclassification of unclassified project staff at Rideau Regional, and probably elsewhere, certain employees of his ministry will have an 8.5 per cent cut in wages? This is coming at a time when these same employees will also lose previously accumulated sick leave credits and certain vacation privileges as well.

Hon. Mr. Taylor: In answer, there will be some reduction in terms of salaries in regard to employees on contracts who have their contracts renewed. I may say that the reason for that, I think, is quite simple and should be obvious to the leader of the third party.

We have, as he may know, a number of contract employees in our institutions for the mentally retarded who are filling in as counsellors or assistants to counsellors, pending training of a sufficient number of counsellors to take on those jobs. I may say there is a fairly high turnover also in terms of counsellors' assistants. They are regarded as unclassified staff because they are on contract.

As a result of certain negotiations which have taken place with the Ontario Public Service employees union, these unclassified staff are now covered in the collective agreement. In providing for that personnel in the agreement the union did not see fit to provide for certain fringe benefits which we were providing under the individual contracts or individual agreements. Therefore, as the individual contracts expire and the collective agreement or contract takes place, they will not be covered as fully in terms of the fringe benefits as they were previously.

I'm not saying that was an oversight on the part of the union. It may be perceived as an impetus to ensure that unclassified staff become classified staff and, therefore, permanent employees who would experience the same deductions in terms of union payments—I think it is \$2 a week. So that is a brief explanation, Mr. Speaker, of the problem there.

[2:30]

Mr. Cassidy: Neither brief, nor adequate.

Mr. Reid: Must be one of your students.

Mr. Speaker: Order, please. The hon. member for Hamilton West has the floor.

Mr. S. Smith: Supplementary: Do I take it from that long-winded answer that this is now the ministry's way to motivate people to become classified—that is, to take low-paid people who are getting \$4.05 or \$4.19 an hour and reduce their salary in 1976 to \$3.83 an hour? How many members of the government's front bench are also going to get motivated to improve themselves by reducing their salaries?

Interjections.

Hon. Mr. Rhodes: We did that last year—tell them about last year.

Mr. Reid: It didn't help any.

Mr. Speaker: Order, please. The hon. minister has the floor.

Hon. Mr. Rhodes: We did it last year when the member for Hamilton West was water skiing in Mount Royal.

Hon. Mr. Taylor: Mr. Speaker, no, I think that is an obvious misunderstanding by the leader of the Liberal Party as to the true picture, because this unclassified staff actually was working on the basis of a classification, or a pay rate that was applicable to the hospital system as opposed to our system. In some cases, the salaries would be almost equal to what we would be paying for a fully-trained counsellor; so it is not a question of that at all. It's a matter of making sure that there was equity, and this very point was discussed with the union and the classification was agreed upon—so there was no problem there at all.

Mr. Lewis: Supplementary, if I may: Is the minister saying that the Ontario Public Service Employees Union willingly and knowingly negotiated a reduction in fringes and wages for people simply because they could be absorbed on the classified staff? Was there no effort to red circle or to maintain the wage levels and fringes as they presently exist?

Hon. Mr. Taylor: I presume they willingly and knowingly did that, because they were actively involved in the whole process and understood the personnel arrangement—the terms of the individual contracts and what would happen upon the expiration and what would happen upon the expiration of those contracts and those employees then covered by the collective agreement. Now, as to the motivation, presumably from a union point

of view it would be better for them to have the unclassified staff become classified staff, thereby qualifying for the deduction of union dues.

GROUP HOME LICENSING

Mr. S. Smith: Another question of the Minister of Community and Social Services: Is he aware that there are presently group homes operating in Ontario in contravention of zoning laws, fire regulations and without licensing from his ministry? And will he tell us what became of the promise by Assistant Deputy Minister John Anderson on Aug. 21, 1975, as reported in the *Globe and Mail*, that legislation would be drafted to make licensing mandatory for all homes, not just the ones with four or more children?

Hon. Mr. Taylor: Mr. Speaker, in terms of group homes, I think the leader of the Liberal Party may know, or he may not, that group homes are usually operated by some agency, often other than the government. We do some financing—for example, the group home may be owned and operated by a Children's Aid Society. In terms of compliance with the local regulations and zonings, I would expect that before a group home was operated by an agency, whatever that agency may be—and there are a number of them in Ontario, as the member may know—then they would clear it with the local authorities to ensure that they operate in compliance with the local regulations.

In response to the second part of the question, the whole area of residential care is currently being reviewed. I don't have any amendments presently in regard to that field but when we are in a position to do something then, of course, that will be brought forward and presented to the House.

Mr. S. Smith: A supplementary: It's hard to know, with this droning answer, whether the minister cares about the fact that these group homes are operating in our province in contravention of the fire regulations and zoning laws—

Mr. Speaker: Is this a supplementary?

Mr. S. Smith: —but let me ask the minister this: Is he aware that Viking Homes in particular has licensed only five of its 17 homes in the Viking One programme? Can the minister tell us how often inspections are made of all unlicensed homes; whether more than four children have been found; and, finally, how many convictions have been registered for

those instances where more than four children have been found?

Hon. Mr. Taylor: Mr. Speaker, may I apologize to the leader of the Liberal Party if I speak in a droning way? I tolerate his manner of speech without criticism, but I was speaking slowly so that he may perceive what I have been trying to get across.

The point is that group homes, of course, are physical buildings that are either purchased or erected in local municipalities that have their official plans and their zoning by-laws. They also have their codes which determine the type of services that are necessary.

We have, I may say, a provincial building code that applies now and covers such things as wiring and plumbing and fire prevention and so on, so these local ordinances or bylaws are usually enforced at the local level. Surely if there is some question as to a breach of a bylaw then that should be prosecuted at that level.

Sure we're interested—the province is interested, my ministry is interested—in ensuring that anything that we fund is properly operated. There is a difference; we have to license it then, of course, we have the further controls in terms of the licensing—whether it's approved for licensing, the inspections and so on. If the hon. member has some problems in connection with any one of these homes, whether it be Viking One or Viking Two or what have you, let him please let me know and I'll check that particular establishment and ensure that he has a report on it.

Mr. S. Smith: Supplementary—

Mr. Speaker: Order, please. May I just point out that there are practically 33 minutes of the question period gone. The questions are lengthy and some of the answers are lengthy as well so—

Mr. S. Smith: The questions are lengthy?

Mr. Speaker: Order, please. There are offenders on both sides of the House, I assure you.

Now, does the hon. member for Hamilton West have a further question, because there are many more around the room?

Mr. S. Smith: I'll call it a further question. Does the minister care that Viking Homes has licensed only five of its 17 homes in the programme? I ask the minister the question—and I'll put it differently so as to be a supplementary—can he tell us again whether the ministry inspects unlicensed homes; whether it inspects the ones that are not licensed—and

whether it ever finds more than four children there, which means they should be licensed, and whether that violation is prosecuted? If so, how many times?

Mr. Warner: In 25 words or less.

Hon. Mr. Taylor: Again, Mr. Speaker, there is a distinction between those homes that have five or more residents in them and those that don't. If they have five or more then they are licensed by the ministry and certainly we have inspections in those cases.

Mr. Shore: Why is it so difficult to answer?

Hon. Mr. Taylor: It's not difficult, it's—

Mr. Speaker: Order, please. Do you have any further questions?

Hon. Mr. Taylor: —a simple matter that the Liberal leader should understand. He doesn't know anything about the problems.

Mr. Speaker: Order, please.

DUST PROBLEMS AT FORT FRANCES PAPER MILL

Hon. B. Stephenson: Mr. Speaker, on May 11, the leader of the Liberal Party (Mr. S. Smith) asked me if I was aware of the dust problem in the Fort Frances paper mill and could I tell the House why the Ministry of Health's procedure for inspection was such that it couldn't get inspectors there at some point during a three-day run of TV Guide-type paper.

It is well within the capability of the Ministry of Health's occupational health protection branch to carry out testing at any specific time. However, the facts of the case to which the leader of the Liberal Party referred are these:

On March 13 the Ministry of Labour received a union complaint regarding dust conditions at the Ontario-Minnesota Pulp and Paper Co. Ltd. at Fort Frances. The complaint was general and did not refer to any specific run of paper. The occupational health protection branch was requested to carry out tests in this plant and did so on April 21. These tests indicated that the dust levels were within the threshold limit value for paper dust of 10 milligrams per cubic metre of air. In fact, the levels were five.

I understand that the union wrote to the Minister of the Environment (Mr. Kerr) on May 4 expressing appreciation for the testing which had been carried out and asking if further sampling could be done during a run

of TV Guide-type paper. In accordance with this request, arrangements have already been made for a return visit of the occupational health protection branch during a run of the specific paper about which the union inquired.

Mr. Reid: A supplementary, if I may, Mr. Speaker: I've been in touch with some of those people who work in the mill. Will the minister give us the guarantee that her people will contact the union when they go there to do the inspections and get their side of the story about the times in which the dust levels are hazardous and how it is affecting the men, because some of them have got sick from it?

Hon. B. Stephenson: Mr. Speaker, the Ministry of Health is most certainly going to carry out an inspection during a run of this specific type of paper, which was at the particular request of the union.

Mr. Reid: But the ministry people don't always contact the union when they go there.

Mr. Speaker: Order.

Hon. B. Stephenson: The Ministry of Health inspectors do not always contact the union, because they may go at any time. The Ministry of Labour, however, does attempt to contact the union when they make inspections. We can co-ordinate that, if the member wishes; but the Ministry of Health inspection will be at a time when, I'm sure, the union will be present.

Mr. Reid: I would appreciate it.

WORKMEN'S COMPENSATION BOARD BACK INJURY CLAIMS

Mr. Mackenzie: I have a question of the Minister of Labour. Is the minister aware of the statement by Dr. William J. McCracken, executive director of the WCB rehabilitation services division, that the board intends to crack down on the various treatments in cases of backache? Is the minister aware of the great difficulties already experienced, whether by individuals or union safety committees or members of this House, in establishing back claims at present?

Hon. B. Stephenson: Mr. Speaker, I have not heard that statement, which is alleged to have been made by Dr. McCracken.

Mr. Mackenzie: A supplementary: His statement is well covered in an article in last Thursday's Hamilton Spectator, and quotes

him directly. I'm just wondering, in as much as over half of the cases in Toronto's Workmen's Compensation Board hospital are back cases, if this is another example of the cut-backs in the hospital field?

Hon. B. Stephenson: Mr. Speaker, as the hon. member well knows the rehabilitation hospital at Downsview has nothing to do with the Ontario hospital system. However, I am not sure of the figures regarding the numbers of back cases in the hospital. That I will check, and I shall most certainly find out the information that Dr. McCracken has released publicly. I doubt that there is any intention at all to decrease services to patients under the Workmen's Compensation Board.

Hon. Mr. Rhodes: What if it happens in reverse?

Mr. Lewis: It is all right in reverse. The reverse is valid. Hydro should not be given the right of appeal on this.

Hon. Mr. Timbrell: If the hon. member would care to read the Ontario Municipal Board Act and would care to look at the deliberations of the select committee on the Ontario Municipal Board, of which the hon. member for Erie (Mr. Haggerty) was a member as well as the hon. member for Armourdale (Mr. Givens), his two colleagues, he would find that, in fact, the process does protect the rights of the people.

[2:45]

HYDRO CORRIDOR IN ESQUESING

Mr. Reed: I have a question of the Premier. Is the Premier intending to allow Ontario Hydro to short circuit the democratic process by successfully petitioning the Lieutenant Governor for an order in council changing the official plan of Esquesing to allow the Hydro transmission corridor to pass through?

Hon. Mr. Davis: Mr. Speaker, I think there is some question as to whether, in fact, it is the official plan of Esquesing. I think that question should be directed to the Minister of Energy.

Mr. Speaker: Does the member wish to redirect the question?

Mr. Reed: Mr. Speaker, I will so redirect.

Hon. Mr. Timbrell: Mr. Speaker, as the hon. member knows there are two bylaws in question. The one which has been appealed to the Lieutenant Governor in Council is a bylaw passed in 1974. As I recall, it's bylaw No. 51 of the town of Halton Hills. There's a bylaw of the former township of Esquesing, bylaw No. 69-51, which is also similar to that. But the matter is before the cabinet. Hydro, as is its right, has appealed the decision of the OMB. As I understand it, the council of the town of Halton Hills has directed its staff to prepare a reply, or rebuttal if you will, to Hydro's appeal; all of this will then be considered by the Lieutenant Governor in Council.

Mr. Reed: A supplementary, Mr. Speaker: Does the minister consider that the rights of the citizens of this province are being protected when actions of this nature take place?

SHORTAGE OF SEALING LIDS

Mr. Swart: Mr. Speaker, a question to the Minister of Consumer and Commercial Relations: Is he aware that the prospect for an adequate supply of home sealer lids is even more dismal than when I raised this question some six or seven weeks ago? Is he prepared to reconsider his decision not to intervene?

Hon. Mr. Handleman: Mr. Speaker, no, I am not aware that the situation is more critical now than when the question was first raised. We have investigated the matter thoroughly. There appears to be sufficient supply. The province does not propose to get into either the manufacture, distribution or rationing of this particular product.

Mr. Swart: Supplementary, Mr. Speaker: Would he care to comment on the fact that Murray Food Market in New Hamburg—the area of this province where a great deal of home canning is done—ordered 150 cases and has received only two cases to date; and that the vice-president of Anchor Cap and Closure Corp. has stated that the company is holding them off the shelves at the present time because it is afraid there will be a run on them and that it won't be able to supply them?

Hon. Mr. Handleman: Mr. Speaker, I am aware of the fact that the manufacturers are very concerned about the kind of hoarding that went on last year and, yes, they will be phasing in deliveries to ensure that there is no hoarding.

ONTARIO HYDRO ANNUAL ADJUSTMENTS

Mr. Reid: Mr. Speaker, I have a question of the Minister of Energy, if I could get him

in his seat, in regard to the Ontario Hydro annual adjustment. Can the minister explain why Hydro bills the municipality PUCs for the deficit Hydro has run up in the year and why the direct consumers of Hydro are not so billed?

Hon. Mr. Timbrell: Mr. Speaker, this relates to what is known as the 13th billing process. I am not so sure that the direct customers aren't billed. I will check into that and come back to that in a few days.

As for the rest of it, based on the fact that at the beginning of a year Hydro's rates are based on projections in costs, and if at the end of a year the costs were in fact higher than anticipated and revenues didn't meet them, then there is a 13th bill. Many times though, any one or all of the 353 municipal utilities would get a cheque from Hydro. It works the other way as well. If their estimates are higher on costs and their estimates of revenue lower, it can work the other way.

Let me check on the other aspect of direct industrial customers.

Mr. Reid: One quick supplementary, if I may, Mr. Speaker. Can the minister explain why the annual adjustments only reflect changes in the non-common cost function? Secondly, why should a municipal PUC have to pick up the costs of what went wrong in Pickering through someone's negligence?

Hon. Mr. Timbrell: Mr. Speaker, the hon. member well knows the system is based on the principle of power at cost. A problem at Pickering is no different than if the line into Fort Frances or into Atikokan goes down and has to be replaced or repaired by Ontario Hydro. All of this is part of the cost of maintaining the system and is borne by the users of the system.

FEDERAL REPORT ON WOMEN'S WAGES

Hon. B. Stephenson: Mr. Speaker, on April 26 the leader of the Liberal Party directed a question to me regarding the federal labour department's wage survey and possible infractions of our legislation in the Kitchener-Waterloo area.

In October of each year the federal Labour department forwards questionnaires to all employers in the province having more than 20 employees, except for the construction industry. It does this on a community basis. In March of the subsequent year the results of the survey are tabulated, and information on various job categories within a particular

community is returned to the companies involved.

The Ministry of Labour in the province has been in contact with our officials in Kitchener. At the present time, although we have tried, we have not been able to obtain any information on the firms surveyed in the Kitchener-Waterloo area which would indicate that equal pay for equal work violations are in fact existent in that area.

The employment standards branch of the Ministry of Labour is continuing to pursue any equal pay violations which can be identified through routine or complaint investigations.

I think the members of the House should know that the acting chief of the data branch of Labour Canada has stated publicly that figures in the federal wage survey showing women earning less than men in comparable jobs do not prove discrimination. He goes on to say, with respect to the Kitchener-Waterloo survey, that there a number of possible explanations for the difference. He suggests, for example, that two firms could be paying both men and women exactly the same rate for a given job but if one firm paid less than the other firm in that job category, the figures would show women on the average making less. These are figures and statements made by the acting chief of the data branch of Labour Canada in Ottawa. Differences in wage rates between two companies do not necessarily comprise a violation of the equal pay provisions.

The women's bureau of the Ministry of Labour analyses data and surveys from various recognized sources and publishes information sheets explaining the province's legislation. I think these fact sheets are very informative and I'd be very pleased to give this set to the hon. leader of the third party.

Mr. Speaker: The question period has expired.

Mr. Reid: Mr. Speaker, I rise on a point of order. On May 3, 1976, I asked the Minister of Transportation and Communications if he could give the House an up-to-date report on the Urban Transportation Development Corp. and its new programme on the ICTS. The minister has not yet replied to me but in the *Globe and Mail* of Friday, May 14, the headline is "\$6 million spent on Successor to Magnetic Train as Ontario picks up the Pieces of Krauss-Maffei."

It seems to me that the information requested by me some 11 days before was not forthcoming from the minister but was partly answered by a press release through the

UTDC. However, such information was not forthcoming from that source when our research office phoned.

I would appreciate it if you'd look into that matter, Mr. Speaker.

Mr. Speaker: The hon. member, I'm sure, is free to ask questions. If he's not satisfied with the answers at any time there's a procedure to raise it in the proper form.

Presenting reports.

Hon. Mr. Handleman tabled the 26th annual report of the Ontario Racing Commission for the year 1975.

Mr. Speaker: Motions.

Introduction of bills.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch: Mr. Speaker, before the orders of the day I want to table the answers to questions 42, 72 and 87 standing on the notice paper. (See appendix, page 2358.)

Mr. Speaker: Orders of the day.

Clerk of the House: The first order, resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

BUDGET DEBATE

(continued)

Mr. Speaker: Did the hon. member for Halton-Burlington complete his remarks?

Mr. Reed: I completed my remarks, Mr. Speaker.

Hon. Mr. Davis: Is the member going to read both those volumes?

Mr. McClellan: Not only will I quote them, I'll read them as slowly as James Taylor speaks.

Mr. Speaker, let me first of all, since I have not had the opportunity to do so previously, congratulate you on your election and congratulate you and your deputies on the fine job you are doing in your office.

Before I move to the main body of my remarks with respect to the budget, I want to speak at least briefly about a matter before us again today. That is the matter of the extension of the Spadina Expressway.

In a very few moments there will be a delegation meeting with the Premier of this

province, composed of municipal elected officials and concerned citizens; composed of people who are anxious about the future of the city of Toronto; composed of people who are anxious to preserve this city from the destruction that will result from a continuation of this government's transportation policies unless those policies are changed and changed very quickly.

An opportunity presents itself again today for the government to return to the principle stated in 1971 that cities are for people in this province; cities are not for the automobile.

There will also be people gathering outside this Legislature to dramatize their concern to the people of this assembly and to the people of this province about the future of the city of Toronto.

Let me suggest that as a bare minimum the Premier should insist that with respect to the Spadina Expressway no access to or from Eglinton Ave. be permitted to vehicular traffic; and secondly, let me suggest that as a bare minimum to preserve this city, the Spadina ditch should be paved only to driveway standards and what should be established in the Spadina ditch is quite simply a park-and-ride facility that will make it possible for the new rapid transit system to be properly utilized.

To do otherwise, to fail to block the expressway at Eglinton or to fail to construct park-and-ride facilities, is virtually to destroy this city, to open all of the neighbourhoods south of Eglinton to simple devastation from the automobile. To do otherwise is to guarantee that the new multi-million-dollar rapid transit facility will be utterly useless. The money spent on it will be as useless as the money wasted on Krauss-Maffei or the money that will be wasted on some other Krauss-Maffei.

In the name of sanity, we ask the government to return to the principles for which it was acknowledged by transportation experts across the world.

In the debate on the budget to date, our speakers have spoken a number of times about what we consider to be a major failing of this budget, and that is simply in the area of jobs and job creation. Unemployment in the Province of Ontario has been hovering consistently above six per cent and is now in the vicinity of 6½ per cent, which represents approximately 275,000 people in this province who are out of work. Not only does the Conservative budget fail to deal with this overwhelmingly urgent problem, the budget,

in fact, serves to increase unemployment. The particular set of fiscal solutions in this budget is simply a response to the Conservative-created debt crisis in this province, a response to the fact that we now have a \$10 billion funded debt and still have a \$2 billion deficit after all the restraint.

The government has chosen to deal with this debt crisis of its own making, not by dealing with the real problem, which is a revenue gap, which is the tax holiday that the corporate sector in this province has enjoyed for the last 10 and 15 years; on the contrary, the government has chosen to deal with its own fiscal mismanagement through destructive cutbacks, and one effect of those cutbacks has been to increase unemployment. I need only point to the health sector, where at least 4,000 health workers are being thrown out of work.

Other NDP speakers will deal with various aspects of the budget as it relates to the unemployment scene. I want to talk about one particular aspect of our employment policy. The area that I want to talk about, within the context of this budget's total failure to address itself to the issue of jobs for Ontario's people, is day care. It may seem odd to be talking about day care within the context of a debate on the budget or within the context of a discussion of economic policy, but for us in the New Democratic Party, I think it is important that we establish our social development policy, that we try and explain to the people of this province that for us day care is not simply a social service like other social services. It is not considered by us to be solely a specialized support service for a disadvantaged minority, although it certainly is that. Day care is more than that. Daycare policy has to be seen within the overall context of a provincial manpower policy, within the overall context of a provincial employment policy and a provincial job strategy. Day care, for us in the New Democratic Party, is a necessary condition to achieving our basic economic goals.

[3:00]

For us, it should go without saying that our basic economic goal is to achieve full employment for the people of this province, and our basic economic goal is to achieve a condition of full participation of both men and women in the labour force. To achieve this goal of full employment and full participation of both men and women in the work force, day care is quite simply a necessity, and the cost of daycare services must be viewed as a necessary cost of that policy of full employment and full participation. It is

a necessary cost in exactly the same way that roads, serviced industrial land sites, community infrastructure of other kinds, vocational training and the like are now accepted by all of us as a necessary cost to the achievement of economic goals. Day care is no different.

We are prepared to meet the costs of providing adequate day care to the people of this province, because we believe that it is the people of this province who are the real wealth of our society, and that the source of our wealth is the work of our people upon the natural resources with which we are so blessed. That is what produces our wealth, not the shares of the government's friends in the multinational corporations and not the government's pals in this province's corporate boardrooms. It is the work of the men and women of this province that produces the wealth of this province.

No society can afford to deny itself the productive contribution of the 50 per cent of its members who are women. That is a cost that no society can afford. Full and equal participation is a necessity in economic terms, both in terms of the growth and development of the wealth of this society and in economic terms, in terms of the abilities of individual families to survive in increasingly hard times. It is necessary as well in human terms, in terms of personal fulfilment, particularly of women.

Day care is also a children's issue. It is a matter of the rights of children as well as the rights of families. The reality is that female participation in the work force has grown so dramatically in the last few years that women now compose 30 per cent of Ontario's work force. In 1970—which, unfortunately, is the last year for which the Ontario Ministry of Labour has prepared adequate statistics, which is a commentary in itself—there were 700,000 married women in the labour force, with 715,000 children; 330,000 married women in the work force had children under 16, and of those 110,000 married women in the work force had children under six.

In the category of women with children under six, there was a total of 135,000 children whose mothers were working in the Province of Ontario. That was five years ago. We can assume that in 1970 there were some 330,000 working women in this province who had to make some kind of child care arrangements, and of these some 110,000 women had to make arrangements for preschool children.

Again, that was five years ago. It is absolutely safe to assume that the need has con-

tinued to grow and that it has continued to outstrip the provision of needed daycare spaces by this government. In 1974, the Day-care Reform Action Alliance estimated on the basis of somewhat adequate updated statistics that there was one daycare space for every 37 potential daycare users in this province.

In the absence of updated statistical data, it is difficult to give accurate figures. It is safe to say there are tens of thousands of children in this province who lack adequate child-care arrangements. We know how unstable private daycare arrangements are. They are fantastically unstable. Kids are bounced around from one care facility to another during their early formative years on a hit-and-miss basis. We in this province are going to pay heavily for that kind of child neglect in the years to come.

Mr. Breithaupt: The government is listening carefully.

Mr. McClellan: Yes, they certainly are.

Mr. Samis: There is one Tory here.

Mr. McClellan: It is an indication of the seriousness with which government takes the daycare issue and women's rights issues that there is only one government member, the Minister of the Environment (Mr. Kerr), in the House at this particular point in time.

Mr. Breithaupt: He is the leader.

Mr. R. S. Smith: Let George do it.

Mr. McClellan: And I am sure it's safe to say he hasn't understood a word I have said.

Interjections.

Mr. McClellan: Day care is an essential social service—

Mr. Foulds: Mr. Clean will hold the fort.

Interjections.

Mr. McClellan: —both preventive and rehabilitative.

An hon. member: Ah, here comes the Provincial Secretary for Resources Development (Mr. Irvine).

Mr. Breithaupt: They just doubled their numbers.

Mr. McClellan: What a joy it is, Mr. Speaker, that there are now two members of the government on the benches opposite.

Mr. Foulds: Now there are two. Keep it up and we can get to A. A. Milne's "Now We Are Six."

Mr. Samis: Where is "seatbelt" Johnston?

Mr. McClellan: The instability of private ad hoc child care arrangements will have the inevitable result in years to come of high social costs to the people of this province, high institutional costs as a consequence quite simply of emotionally damaged kids. That is quite simply inevitable. It is important as well to keep in mind that kids of single-parent families can only hope to escape from the indignity of substandard living on family benefits allowance through the provision of day care—enabling the parent either to remain in employment or to re-enter the work force.

Thirdly, single-parent mothers rely upon part-time daycare services to relieve the kinds of stresses and tensions that otherwise result in complete family breakdown. We know without any doubt at all that day care is the most effective preventive social service in our current array of social services we can make available to people. Yet rather than provide this essential means of keeping families together, this government seems positively to prefer institutional alternatives to the natural family.

There is absolutely no doubt in our minds, even apart from the economic justification for a dramatic increase in the number of daycare spaces available in this province, that the effectiveness of day care as a preventive social service is such that it deserves priority on that basis alone.

When we turn to look at the record of the Conservative government with respect to the provision of daycare services, the record is utterly dismal without relief. The capital expansion programme of 1974 has turned out to be an incompetent fiasco. Let me quote from the final report of the advisory committee on day care which was submitted to the ministry in January, 1976. This is a group of volunteers who worked on behalf of this government, on behalf of the people of the Province of Ontario, to look at all aspects of the daycare question. It is an eminently responsible and respectable group of people.

Their criticisms of the Conservative government's record with respect to day care, while couched in the most gentle of terms, are, nevertheless, absolutely devastating.

Here's what they had to say on the now infamous capital expansion project:

Any capital programme on a large scale, such as the recent daycare expansion pro-

ject, should be thoroughly prepared in advance of any announcement with clear priorities established, both regional and varieties of programmes, application procedures determined, administrations established, approval systems organized and with the involvement of programme staff.

Quite clearly none of those things was done with respect to this daycare capital expansion project and that is why it has been such an utter fiasco.

They go on to say:

There were, undoubtedly, faults with the execution of the last capital programme [I may say, in an aside, that has to be one of the understatements of the year] and the council has not had the opportunity to study this in sufficient detail to comment on the advisability of allocating resources in this way. We would urge that serious consideration in planning be done before any further capital programmes are instituted.

One of the reasons the council has not had sufficient opportunity to comment more fully on the field of day care, is that this government killed the committee when it became clear that the committee was doing an effective job of raising some pretty fundamental questions about how day care is provided in this province. This government has consistently shirked its responsibility for giving leadership in helping prospective day care providers negotiate their way through the nightmare tangle of red tape and regulations at both the provincial and municipal levels.

The government has failed to provide sufficient funding. Moneys coming onstream this year were originally allocated in budgets in 1972, 1973 and 1974 and now, in 1976, all new funds are either frozen or cut. This government's preoccupation has been with a quailing and timorous obsession with costs which has led to a succession of utterly ludicrous ideas.

There was the Provincial Secretary for Social Development (Mrs. Birch) and her proposal to increase staff ratios to such a level that quality day care would be utterly destroyed; Maxwell Henderson and his preposterous suggestion that senior citizens should run the daycare centres of this province on a voluntary basis; the Minister of Community and Social Services' ludicrous praise of the pathetically inadequate and dangerous private day care arrangements which are the plight of most children of working mothers in this province.

This government offers day care subsidization under the meanest, most demeaning and

humiliating of means test procedures requiring a microscopic probe of a person's personal life by welfare bureaucrats in order to acquire a subsidy. Now, thanks to this 1976 budget, we have new stringency and a complete halt to day care expansion.

Day care remains important to us in the New Democratic Party, even if it is of no further interest to the Conservatives, and we would accord it priority, as I have said, because it is seen as an integral part of our economic policy. It is seen as a pre-condition to achieving the goal of full employment and full participation. As well, it is the preventive social service par excellence, in terms of preventing family breakdowns and in terms of helping people to return to productive employment. For the government to be talking at this time about a welfare policy which helps people to return to jobs while at the same time cutting back on day care and cutting back on day care subsidization is the most cynical kind of political fraud.

[3:15]

In the matter of daycare-facility construction to meet the need, our commitment as a government would quite simply be there. We would undertake a meaningful daycare capital expansion programme along the lines and within the parameters suggested by the Advisory Council of Day Care to provide sufficient day care in this province to meet the need. We would strive, in so doing, to reduce the currently high capital cost of new daycare facilities by stressing conversion as opposed to brand new construction, by stressing the use of available vacant school space for daycare facilities and by fostering employer-employee arrangements through the collective bargaining process.

In the matter of the operation of daycare programmes across the province, we would remove the burden of subsidization from municipal governments. It has no place there on the property tax. It makes no sense at all to be subsidizing day care out of the property tax. We would establish a subsidization programme which would permit access to day care for all children who need it, quite simply. We cannot afford to do otherwise.

It is clear that the basis of subsidization of day care has got to be changed from the present demeaning, humiliating and bureaucratic procedure. Every single daycare applicant for a subsidy has to reveal his or her budget in total, and each determination is made individually on the basis of an individual financial report by a welfare bureaucrat. The cost of administering this subsidy programme must be staggering.

It should be very easy to implement an alternative. We are at the present time considering a two-tiered support method which would establish a base subsidy rate and a secondary subsidy based on income and family size.

Finally, we would put an end to what has got to be one of the most odious developments in this province in the last decade, and that is the move to reprivatize social services and human services and turn the provision of essential social services over to free enterprise. This government has permitted the Great West Life Insurance Co. to come into this province and establish a chain of day-care centres called the Mini-Skool chain. They make their profits for the shareholders of the Great West Life Insurance Co. in the same way that any other good business does it, by keeping their costs down, by cutting their costs.

Hon. Mr. Kerr: Efficiency, efficiency.

Mr. McClellan: That's the same thing, isn't it? I'm sure the minister would agree that an efficient business is one that keeps its costs down, and the only way they keep their costs down at daycare centres is at the expense of kids.

Hon. Mr. Kerr: Oh no. No.

Mr. McClellan: That's absolutely true, and the minister well knows it. They have permitted a kind of regression in this province that is quite simply intolerable, and it would not be permitted for an instant—let there be no mistake about it—under a New Democratic government. There is no room for private profit at the expense of kids in this province.

Hon. Mr. Kerr: There goes Brown!

Mr. McClellan: The principle is universal. Let me make that perfectly clear.

Mr. Foulds: You'd better believe it.

Mr. McClellan: Let me refer you finally, Mr. Speaker, again to the Advisory Council on Day Care's third report. On page 32 they give what is, in a sense, a plea to this government and I'll add my voice to theirs.

They say:

This is the third and final report by the advisory council since its formation 18 months ago. Each report contains a series of recommendations for action by government in a number of areas including fire safety, private home day care, qualifications for staff, training opportunities and research

[and as well the material covered in this, the third report].

We respectfully request that the minister respond to these recommendations, advising the community about the government's responses to these matters and any action which has been taken or is planned.

Again, in its gentle way, the Advisory Council on Day Care has issued what is a scathing indictment of this government's whole attitude toward day care and has highlighted its complete paralysis.

It is now 18 months since it began its work. The recommendations which have been thoughtfully and carefully prepared and submitted to the minister and to the government as the basis of rational policy decisions have been ignored. The response has simply been the social service cutback programme. Even Maxwell Henderson himself, the great guru of austerity and cutbacks, called for an increase in daycare expenditures.

Now that the Conservatives have returned, like so many Attila the Huns from the meetings with the golden horde over the weekend, at which, I understand from the press, their paleolithic welfare policies and social development policies were greeted with great approval and esteem by the assembled multitude, we hold out little hope for the reintroduction of rationality in the development of this province's social development policies and programmes. I suppose we can continue to hope with whatever vestigial optimism is left to us, that this government will somehow come back to its senses and will stop listening to Godzilla the ape.

Hon. Mr. Kerr: People, people.

Mr. McClellan: We can hope it will start to address itself to the real needs of the people of this province and not to the ranting and canting of free enterprise ideologies.

Hon. Mr. Kerr: The Premier was right; you are a bunch of gloomsters.

Mr. McClellan: That, I think, concludes the remarks I wanted to make and I appreciate the opportunity to set before this Legislature one piece of our own economic policy. It is perhaps a small piece, the matter of day care, but I hope I have shown how it fits in to our employment policy and how crucial it is to this party and, I think, to the people of this province. Without adequate daycare services we are never going to achieve the goal of full and equal participation by men and women in the work force of this province.

Mr. Foulds: On a point of order, Mr. Speaker, having counted assiduously for the last half-hour, I can see no quorum. I think there are only two government members of the 12 presently in the House.

Mr. Speaker ordered that the bells be rung for four minutes.

[On resumption:]

Mr. G. I. Miller: Mr. Speaker, I'd like to congratulate you on the fine job you are doing as Deputy Speaker of the House in this 30th Parliament of Ontario.

Mr. Laughren: He's doing a great job. A great man.

Mr. G. I. Miller: It is a privilege to rise and speak on the budget debate in the 30th Parliament. This is my second opportunity to do so as a new Liberal member for the Haldimand-Norfolk riding, which I am proud to represent, after so many years of its being served so ably by the former James Noble Allan of the Conservatives. His shoes are big to fill but it is obvious, too, as I sit on this side and watch the government work, that there is nothing to compare between today's government and the Conservative government back in the 1950s and 1960s, of which he was a key figure.

Mr. Ruston: It's gone down the drain since then.

Mr. G. I. Miller: While he sat as the Treasurer of Ontario, I don't think he came in with a deficit budget at all. In the last two years we have had the highest deficit budgets of any in Ontario's history.

Hon. Mr. Kerr: Sunshine budgets

Mr. Sweeney: He rode off into the sunset.

Mr. Foulds: Is it the worst budget in Ontario's history?

An hon. member: An election budget.

Mr. G. I. Miller: That is true. We are faced with serious problems today. We need new ideas and new approaches to questions of health, energy, agriculture, transportation, jobs for our young people, housing and the survival of the free-enterprise system on which our country was built.

[3:30]

Now with respect to the budget, this new budget conceals more than it reveals. During the last election, Liberals went across the province stressing time and time again the

necessity of exercising financial responsibility, of streamlining government programmes and the need to cut down on waste and extravagance. So what has the government done? They have run around Ontario closing hospitals, putting nurses out of work and upsetting communities without any consultation with the people concerned—without study of the ultimate result. They would not discuss or debate this in the House, once again showing the arrogance of the government.

When hospitals are closed and hospital beds are taken out of service, it is surely an admission of poor planning—an admission that somehow we ended up with more hospital beds and facilities than required to service the surrounding community. In certain parts of the province we have too many hospital beds, while in others there are too few; clearly something must be done to equalize hospital facilities to some extent throughout Ontario.

The problem cannot be resolved by closing down hospitals, without any thought of the consequences—selecting the victims with no real justification or reasonable explanation. There seems to be no clear-cut criteria or objectives in the government's hospital closing programme—no standards which must be met; no community needs taken into consideration. Surely a more sensible approach to reducing hospital overheads would be to decrease the number of beds in larger hospitals, and increase overall hospital efficiency. Durham, Clinton and Chesley, and the Doctors Hospital in Toronto, stood up in court and the decisions were reversed. More power to them.

The government went about it in the wrong way and would not listen. Our party wants to be responsible and fair to people. I think they would accept restraints if approached in a proper manner.

What is the budget for agriculture? Very little. The tile drainage programme has been brought to a standstill by government restraints and, again, with no planning, leaving a lot of farmers in a very sad situation financially.

Mr. Ruston: Listen to that, Lorne.

Mr. G. I. Miller: Until recently the province encouraged farmers to apply for loans and funding, for the programme was open-ended, with some municipalities having passed borrowing bylaws of up to half a million dollars to accommodate the programme. Thus, any tile drainage project approved by a municipal council was funded by the province. But this year, just as most municipalities reported the programme was finally beginning to catch on with area farmers and the applications for tile

drainage loans started to pour in, the ministry announced spending ceilings on the programme as part of the province's austerity cutbacks.

Municipal officials said they were given very little warning for the province's decision. This resulted in every rural municipality in my region being caught with over-commitments in tile drainage loan applications which will now probably have to be rejected out of hand. This is responsible government?

In the town of Haldimand, in my riding, the Ministry of Agriculture and Food has allowed the municipality \$20,300 for 1976-1977 tile drainage loans, while the backlog of applications currently on file amount to \$82,000. In the town of Dunnville, where council has approved drainage loans amounting to \$74,450 for the upcoming year, the allotment is \$29,300, only 37 per cent of the total already committed by council.

In agriculturally-dominated Nanticoke, where the allotment is \$87,200, officials say they will be unable to accept any more applications for the drainage loans for at least the coming year.

The township of Delhi faces a similar situation, where council has already committed its \$50,000 allotment for the 1976-1977 year. The township of Norfolk is already over-committed by \$41,000, based on an original allotment of \$75,300.

This programme has been good for farming, improving production by draining low areas which are more easily cultivated. Tile drainage opens up areas of land previously unavailable for agriculture because of drainage problems. Until recently the province encouraged farmers to apply for loans and funding for this programme—but now the plans are jeopardized by the budget cutbacks. Once more the government encourages taxpayers to become involved in a provincially-sponsored scheme only to pull the plug without warning.

I believe there is cause for alarm about the rate at which land is being removed in recent years from its traditional function of producing agricultural crops and livestock both in Ontario and in the rest of Canada. Urgent government action is necessary if we are to arrest and perhaps reverse the decline in agricultural acreage.

The present government has shown an appalling lack of leadership in this connection taking an irresponsible, "I-don't-care" attitude. Land is being regarded simply as a commodity to be bought and sold rather than a valuable resource which must be protected. Apparently the government's policy has been

that land is a resource to be drawn upon as and when it is needed for orderly urban expansion.

Last year the Treasurer of Ontario (Mr. McKeough), the unofficial chief planner for the province, indicated his government was prepared to establish policy guidelines on the subject but added: "We don't want anything with great teeth in it." This attitude on the part of the government must change. Already here are statistics which show that Ontario is in danger of losing the favourable position which it held previously in relation to the agricultural productivity of other Canadian provinces.

The conclusions drawn in the report of the central Ontario lakeshore urban complex are very damaging to the government's policy. For example, the report states:

Both provincial policies and provincially-approved municipal official plans reflect an urban bias exhibiting little concern for rural resources priorities. Agricultural designations are often regarded as an impermanent holding category. Ontario cannot afford to gamble with the future and risk losing a significant portion of its good agricultural land. With a growing population and with a declining land base, Ontario may have to import 60 per cent of its food requirements by the year 2,000.

The government has been warned that prime agricultural land must be preserved, a warning endorsed by the government's own report produced at considerable expense. However, in 1976, while valuable farm land continues to vanish, there is still no substantial reaction from the government, and there is still no effective master land-use plan for the Province of Ontario. We have studies and more studies. We have predictions by commissioned experts on how much agricultural land will disappear unless something is done. But we have no action by the government, no province-wide land-use plan which will effectively preserve our prime agricultural land.

The policy of the Liberal Party in Ontario has always been and continues to be that class 1, 2 and 3 agricultural land must be clearly designated as special crop lands, as land to be preserved for the production of food now and in the future. We realize that special situations may arise when it may be justifiable to use agricultural land for other than food production, but potential users must be prohibited from taking out of production anything but the poorer class agricultural land.

A major thrust of Liberal policy would be to steer growth away from class 1 and 2 farm-

land. The growth pressures which contribute to urban sprawl, especially in "the golden horseshoe" area, must be decentralized to eastern and northern Ontario. This decentralization can be accomplished by creating much-needed industrial development and employment opportunities in those areas.

A few years ago a government committee on farm classification released a report to the Ministry of Agriculture and Food on the question of land use. It recommended that our farm land be classified into five categories: agriculture, agriculture-residential, rural-residential, rural-recreational and rural-speculative. The committee stated that an inventory of current land use is necessary if farm land is to be classified. This would mean that all people who own farm land would be required to file a return indicating how the land is used. Another recommendation of the report was that the responsibility for land use planning with respect to farm land should be transferred from the Ministry of Treasury, Economics and Intergovernmental Affairs to the Ministry of Agriculture.

We in the Liberal Party favoured the land use controls recommended in the report and urged the government to adopt them. In almost every attempt to implement meaningful land use control in North America, the question of compensation for permanent zoning of agricultural land has been an important issue. This is, of course, only to be expected because it involves the most sacred of jurisdictional rights, that of the private ownership of land and the belief that private ownership implies the right to use the land in one's own best interests.

If farm land is to be zoned for permanent agricultural production farmers will no doubt demand some form of compensation for the loss of development rights. Compensation for zoning has never been practised successfully on a large scale either in North America or Europe. I believe that serious consideration must be given to this matter, preferably in consultation with interested and knowledgeable groups such as farm organizations.

In the past, the financial return from food production in Canada has not been sufficient to enable the food producer to compete in the market with other potential users of land, such as industry and urban development. Consequently, much foodland has been lost and food producers have been forced to move to other and less productive lands. We must initiate policies to assist food producers to keep valuable foodland in production.

An effective provincial agricultural policy must contain measures which afford farmers

adequate income protection combined with the means to preserve prime agricultural land specifically for food production. Clearly, any policy which neglected the welfare of the farmer would not only be unjust but would also be ineffective and would ultimately fail in its objective of ensuring our food supplies and protecting our agricultural land.

There is increasing evidence of the need to ensure farm income stability in this province. For a long time, farmers have struggled to gain economic and social stability and many farmers have only obtained income security upon retirement, after they have sold their holdings. Economic pressures have forced thousands of farmers to leave farming and many thousands more have had to supplement their farm income with off-farm employment, at least on a part-time basis. Moreover, young people are not being encouraged to go into farming.

The federal and provincial governments must work together to bring some stability into the agricultural industry so that farmers may at least be certain of a basic income, taking into account the cost of production and tremendous fluctuation in input costs. The cost will have to be shared by the government, by the farmers and by society generally. However, the cost is surely worthwhile.

Income stability is more important today than ever before because of price uncertainty. Farmers cannot be expected to continue investing in new machinery, in buying more land and in all the other production costs in an effort to increase production unless and until they receive some guarantee and some assurance that increased production will not lead to short-term surpluses which ruin prices and force them into bankruptcy.

The Liberal Party is in favour of a farm income stabilization programme on a voluntary basis which would guarantee a viable income to full-time farmers who are prepared to enter into such a plan and contribute premiums. Such a plan would be financed by a combination of farmer payments and contributions from provincial and federal governments. This would only be possible on a nationwide basis of federal-provincial cost sharing, and the plan would have to be co-operative. If this were not the case, we might well be faced with provincial wars because provinces would pour provincial money into some segment of their agricultural industry in order to support it. Producers in some provinces would therefore gain an artificial and competitive edge over producers in

other provinces where no such assistance is given.

[3:45]

The cost of production for each commodity would be established co-operatively by farm organizations, by marketing boards and the Ministry of Agriculture and Food. Rather than being a subsidized programme, when market prices fell below the established cost of production a makeup payment would come from the insurance plan and the plan would provide insurance only against the failure of a policy. It would be directed toward having the consumer pay the legitimate cost for quality food supply.

Farm marketing board procedures would be utilized to gear production to consumption, with the understanding that food prices must reflect the cost of production plus a reasonable profit. Under this scheme, the farmer would not have to worry about his increasing input costs because he would have a reasonable assurance that he would at least recover his cost of production.

In regard to the IMPIP programme, which was instigated in 1973, in the first 11 months of 1975 total milk marketed by the Ontario Milk Marketing Board was 7.7 per cent greater than the milk marketed in the comparable period of 1974.

The increase in milk production has resulted from a number of factors, a major one being that the provincial government has fostered industrial milk production through its IMPIP programme. These loans were introduced on July 1, 1973, for a one year period and they were renewed to the end of June, 1975. In that period, 3,168 producers borrowed some \$41 million to upgrade their production and the average loan was roughly \$14,000. The loans have resulted in over-production, cuts in quotas and stiff penalties have placed farmers in an impossible situation. Producers have been deprived of the income to repay these loans.

The ministry has never set long-term policies in this province for agricultural production. The government has merely reacted to situations. What is needed is the adoption of consistent operative principles which guide subsequent decisions.

The outlook for the dairy industry in Ontario for 1976, as analysed by the Ministry of Agriculture and Food, is for an increase in milk production. Clearly, a large share of the problem is lack of government foresight and policy.

The fishing industry is of real concern to me, which is perhaps not surprising when you

consider that I have some 80 miles of Lake Erie shoreline in my riding. Harvesting fish from our lakes by fishermen is similar to farming the land, in that both industries are dealing with vital food resources. I share the concern of the fishermen throughout the province and believe that they themselves could contribute a great deal to discussions about the fishing industry generally, with respect to the best methods of harvesting the catch, processing and distribution, restocking of our lakes, etc.

Ontario's total investment in the fishing industry is \$16,779,000 of which approximately half—some \$8,580,000—is invested in Lake Erie. Total employment in all fishing in Ontario is approximately 2,280. For Lake Erie, the total number of fishing boards is 193 and the number of men employed is 643. More than 50 per cent of Ontario's total catch comes from Lake Erie.

There has been some discussion in recent months about the question of perch size, and there is every indication that conservation officers intend to be quite firm about enforcing the 8-in. size limit for these fish. It has been estimated that approximately 90 per cent of Ontario's perch are caught in Lake Erie, of which 70 per cent to 80 per cent were between seven and eight inches and the rest over that 8-in. limit. Understandably, fishermen in the province are anxious about the possibilities of strict enforcement of the 8-in. limit, because they are only too well aware that it would be difficult, if not impossible, to survive in the fishing industry if this was the case. I have been told that if this law was strictly enforced for all boats there simply would not be any perch for sale because fishermen could not make a living in July and August catching 8-in. perch.

Back in 1959, Lake Erie was full of perch. There were so many perch in May of that year that fishermen were picking them and selling them for 2½ cents per lb. Some of the larger boats took on more men and brought in as many as 100 80-lb boxes of perch per day, seven days a week. In the 1960s, perch prices ranged from five to seven cents per lb and sometimes the fishermen couldn't give the fish away.

While this was going on, the federal government came out with loans and subsidies to build bigger boats. Many took the money and began building 80- and 90-ft fishing boats, freezers and processing plants so that they could catch five times as many fish and process them cheaper. However, the more fish that were caught, the lower the price went, until about the year 1968 the government was

persuaded to buy the surplus perch at a minimum price of 10 cent per lb.

So many fish were caught that freezers all over the country were packed full. The government had tons and tons of round perch for which 10 cent per lb had been paid. In the spring these fish were sold to the fur breeders by the ton for one or two cents per lb. Then the fishermen went out again and caught thousands of fish, and so it continued.

All through this period, no one—not even the biologists and experts of the Ministry of Natural Resources—thought of putting a quota on each boat, dividing up what the market could handle, getting a fair price per lb for the perch and leaving the rest in Lake Erie for next year. This would probably have solved the problem, but too many people wanted to catch a boatload of fish even if they had to be given away.

Now we are hearing about phosphates, raw sewage, fertilizer and other pollutants in Lake Erie, and it seems that even if Lake Erie were closed to fishing for five years, only about 50 per cent of the perch would reach 8 in.

In 1960 the government brought trawling to Lake Erie. This was introduced to stop the spread of smelt because they were overrunning the lake so badly. It was impossible to fish with gill nets in over 24 ft of water at some times of the year. Since 1960, thousands of tons of smelt have been caught in Lake Erie. Had this not happened, it is quite likely the lake would have been so full of smelt that it would have been impossible to go swimming because of dead fish.

However, there is a drawback with this kind of fishing. The smelt are going into a bag of 1-in. mesh and with the smelt also go any other small fish. At certain times of the year the small perch move out and mix with the smelt and there have apparently been instances of about one ton of 3-in. perch in one day from one boat taken to freezers for animal food. This has been going on for approximately 15 years.

Obviously, we have to take action to protect our natural resources. The pity is, of course, that for so many years we have been neglectful in this respect. The question of the fishing industry and the harvesting of our lake fish is a very complex one. I think the government must be careful not to make hasty decisions that will ultimately have a detrimental effect. As I said before, I think it is very important that the province's fishermen be involved in consultations and plans for the industry, because after all, they are vitally concerned and have the day-to-day knowledge that is so important.

There are many other things of interest as far as my riding is concerned. I represent perhaps one of the largest ridings of the tobacco growing industry. I am concerned with that but I will not cover it in any great detail. I had an opportunity to speak on it when government brought in its tobacco tax.

The seatbelt law was of concern to many people in my riding. I think I had a petition from something like 8,000 who are against the seatbelt law. I would just like to point this out to the Legislature: They are not so much against the fact of wearing the seatbelts, as against having the law to enforce it.

As for the city of Nanticoke, the Townsend townsite, housing and development for the industrial park in my riding are a concern, but again I will leave these issues to discuss later and for the other members of my caucus to debate. I would just like to say thanks for having the opportunity to debate the budget for the coming year and it has been a pleasure on behalf of my riding of Haldimand-Norfolk. Thank you.

Mr. Breaugh: I wanted to participate in this budget debate and to engage in some discussions about what kind of a budget this one is, what kind of a budget procedure the government in power uses, and how a budget can affect the economy of the Province of Ontario.

I think in essence though, we have some basic problems with this particular budget. To be specific about it, does it really provide a balanced and stable economy for the province? Does it really do anything significant to alter, if you like, the economic affairs of the Province of Ontario? What kind of a role does this government see a budget playing? I feel perhaps we might find in that some differences from the kind of budget procedures that we would use.

I want to address myself too, Mr. Speaker, to, if you like, the government's taxation target. Who gets identified to pay the bills and in what order and to what degree?

In Ontario I guess there are many areas that are defined as being acceptable tax targets. Certainly there are capital gains, corporation taxes; there is a bit of an attempt at a resources tax. In Ontario it has been traditionally somewhat different, but these days they seem to have zeroed in on one target, that is people taxes, taxes that ordinary working men and women could pay, and it hits them in a great number of ways. It hits them substantially in an income tax. It hits them substantially in a sales tax. It also gets them in taxes which they don't see; in commodity

taxes, if you like—in gasoline, in alcohol, in tobacco and in a number of other areas that manufacturers are, in theory I guess, taxed for but which are in reality taxed out onto the consumer.

So in Ontario we have that taxation target, if you like, clearly identified. We are going to work in this province on the working people. That may be a matter of numbers. It may be that there are substantially more of them than of anybody else. But at any rate, for whatever reason that seems to be the current target.

It wasn't always so. There was a time in Ontario when corporations picked up pretty much 50 per cent or so of the taxation budget. That isn't true any more. That's down to about 15 per cent. So clearly we have identified that group of people we want to tax. I'm not particularly sure why they are identified so well and so clearly, but in this budget as in previous budgets of this government, they are the ones who pay. They are the ones who cough up the dollars. It may not always be dollars, it may be a few cents here and a few cents there, but it certainly does add up.

I want to address myself to a kind of assessment of priorities, because I think that one of the ways in which a government speaks to its electorate, very clearly, is in the way that it strikes a budget—in what it decides to spend money on and what it decides it will hold back on; in how it raises that revenue and how deeply it goes into debt and how long it finances that debt; on its fiscal policies; on its taxation policies; on policies for building things or not building things. I think in this budget we can see pretty clearly something that has been true for some time. The priorities of this government are in real hard things.

If you want to take the obvious example of roads—and I don't just mean the Spadina expressway because that's topical today—in the building of roads, provincial highways, back roads, city streets, the amount of money that is spent by all levels of government in Ontario is phenomenal. When you go and look over the municipal budget in almost any municipality you'll find that usually somewhere between 60 and 70 per cent of the money that is spent is for, if you like, hard services and by and large, roads. By and large too the reason for that is essentially the Province of Ontario has a tendency to loosen up the purse strings when you want to build a road. It's not nearly so free with its funds when you want day care and to keep that going past the initial ribbon-cutting ceremony and was quite prepared to pay \$1 million to

give somebody a chance to cut a ribbon. But after that happened, after having to try to keep that thing in operation, the funds disappear.

[4:00]

Basically, we go back to an old Tory tradition in Ontario, and that is to build roads; that that's always a good thing. We have examples all over Ontario. I remember one just outside of my riding; it happened when there was a county of Ontario. They used to take the money that the province coughed up in the roads budget and build things. They didn't want to build them all at once and get into debt, so they'd build something with whatever moneys they got from the province in any given year. One year they decided they would build a bridge, which they did. They built a nice little bridge, one of the best-looking bridges in Ontario county, all the way across a creek. There's absolutely nothing wrong with that except that in that instance there wasn't any road on either side of the bridge. So far a couple of years we had the great honour of looking at this rather fine structure, set in the middle of a cow pasture and crossing a nice little creek. It was one of the best looking bridges you could find; there just happened to be no road on either side of the bridge.

The bridge followed the great Tory tradition in Ontario of building things. It doesn't matter how or whether you need it, or really to what standard or how the contracts are let or good things like that. But the Tory party in Ontario has a wealth of tradition, particularly about building roads. I often wonder if they could have survived even two or three years at the outside had they not embarked on that. I can't find a construction project in the Province of Ontario that isn't built by a corporation that has known members of the Conservative Party at its head; it is rather difficult to find a municipal council building those roads that doesn't have considerable influence from the Tory party there. The whole exercise seems to have been to build a vast system of roads throughout Ontario, some of which are quite good and quite necessary and some of which are not. But that criterion about whether a road is needed or not is not always considered.

The plain fact is that the Tories have discovered that building a road is a good deal. You can find some roads that are perhaps a little better than the standard in an area but happen to lead up to a particular person's cottage or a particular person's farm. I think we could all give a little chapter and verse on that particular instance

in the history of Ontario, where the reeve got a road built to his house and it didn't go past his house. But it follows that Tory tradition of building roads.

On the other hand, I guess the legitimate thing to say is that that wouldn't be our emphasis. We would move in different areas; we think that fundamentally there is certainly a need for roads in Ontario, but there is also a need now in Ontario to provide people with services. Some of those are not popular services; that's true. Some of those are not concrete things that you can see forever and a day. It is difficult to conduct the kind of public relations campaign around people services that you can do about building roads; that's true enough. It is also difficult to make the case—but I think it can be made—that daycare centres, senior citizens' homes and things like that, as functioning entities, are every bit as important as the construction of those facilities in the first instance.

I think what we probably need here is some device that allows us to cut ribbons every day and get our pictures in the paper as politicians. If that were the case, if there was some political gain to be salvaged out of that situation, I'm sure we'd be far more active in Ontario in providing services to human beings on a day-to-day basis.

In Ontario too there seems to be—and I think it not unfair to lay this one at the Tory doorstep as well—a good deal of co-operation, if you like, on one level; that is, with the corporate entity in the province. There seems to be not a great deal of difficulty in establishing what the corporations want in terms of tax incentives. There seems to be not a great deal of difficulty in at least sympathizing or approaching whatever problem might be before the House, or before the government, from a corporate point of view. But there seems to be a great deal of difficulty in approaching that from the workers' point of view.

I think examples have been quoted at great length in this House of places where there's an unsafe work place. It might involve lead oxide levels, dust levels or asbestosis; it could be a number of things. But I think one will find, in all of those instances, that the corporation that is quite happy to receive some tax incentives from the Province of Ontario also gets pretty good co-operation from the government of Ontario in dealing with those items as well. There is great reluctance on the part of the government to move in and shut down a corporation or to enforce meaningful control legislation on that particular thing. That's a last resort.

I'm not suggesting that every time we find a lead oxide level or a dust level that's 0.1 over whatever is the acceptable limit we shut everything down until they rectify the situation. That's not the point at all. The point is that there are ongoing difficulties in the work place, I think rather extensively documented by the public at large, by various interest groups, by the unions involved and by the workers involved, where the government is clearly dragging its heels.

I suppose we can find, too, the one or two corporations that from time to time do cease operation and clean up their act. That may be acceptable in some quarters. To me, it's not. Quite frankly, that isn't the point at all. Even if the government is prepared to shut somebody down, that's an unfortunate approach to it all. What at least strikes me as being a particularly sane approach to it is that the work place is monitored regularly and that those results are made public so that everyone who either works there or who controls that work place knows what is going on, can identify what the problem is, and that it's kept to be a safe working place.

By that I want to use both words emphatically: that it's a safe place for somebody to work, and that it's a working place; that the work carries on and we don't have to shut it down once a month or every six months and clean the joint up; that we allow it to continue to function but that it functions at safe levels. There is, of course, some argument about safe levels and I'm quite prepared to deal with that and to accept that problem. But where we have consensus, where we have overwhelming evidence, if you like, that something is unsafe—and we've had indications of that in the Province of Ontario in the last three years—I don't think it's satisfactory for the government to wait until there is some kind of public pressure or even until the matter is raised in the House before it deals with it.

I frankly don't see why the government of Ontario is not prepared to deal with that thing on a day to day basis as, if you like, part of the workings of government. Why does it have to be a scandal? Why does it have to be front-page headlines before anything ever happens? Why do we have brand new plants—and we've seen several instances of that; one in my own riding—brand new multi-million-dollar plants put up supposedly under the guidance of the Ministry of the Environment and in co-operation with the Ontario government, that aren't a safe place to work from day one? How does that happen in Ontario?

We have the money. Clearly the money has been spent putting up the facility. We have the expertise in terms of making it a safe work place. Why didn't it happen? Why do we always have to go through this process—the nice term for it is a shakedown period—where we have people work for six or eight months in a plant that everybody agrees is an unsafe place to work, but the excuse is, "Well, we're just shaking the place down. Give us a year or so and we'll clean it up. It'll work okay."

I really wonder whether corporations in that sense would be happy if the people who supply them with equipment said, "Well, take this equipment on delivery now, let it shake down for six or eight months, but let it cost you a few hundred thousand dollars, and then if we don't get it fixed in a year or so, well, we'll take it back and give you something else." I don't think they would. I don't think that's a very businesslike attitude on anybody's part.

To take another issue, this government has dramatically and consistently dealt with the entire problem of providing affordable housing to the people of Ontario from the industry's point of view. It has consistently provided those people who are in the housing industry with incentives, it has provided them with mortgage money, it has done promotional jobs for them, it has set up OHAP programme and NIP and RRAP programmes and provided them with the big blue pipe in my area. It has done a number of things to deal with this particular problem, but all from one point of view essentially. I suppose one could make the case that when they attempt to provide mortgage money through a developer, as they do under the OHAP programme, that sooner or later a consumer benefits, and that may or may not be true. Not very many of them, but some of them might.

The fact is that the perspective is to work through the industry first, from its point of view, to provide it with the things that it needs, the mortgage money, the sewer and water services, that kind of stuff. That's where the emphasis is, that's where the priority is, that's how this government approaches that problem. It does not approach it from the point of view of those who need housing and it does not consider that need to be the priority item in this whole approach to a housing problem.

If they were actually trying to identify those people who can't afford housing now, would they be satisfied, for example, in the OHAP agreement to give them 10 per cent of the housing? I am not particularly con-

cerned about those people who earn \$30,000 or \$40,000 a year; they can buy whatever they want. But those people, for example in my riding, who earn less than \$15,000 a year—I want to point out that the average wage for the city of Oshawa is \$14,000; that is virtually, 50 per cent and probably far more of the people in that particular municipality—can't afford to buy a house in Oshawa.

They can't even afford to qualify for the mortgage let alone carry it. Those people who can are qualifying because both people in the family are working. What happens when one of them faces a strike situation or ill health or loses a job or gets laid off is rather devastating. People in my riding, earning collectively less than \$20,000 a year, are facing \$500 to \$600 a month in carrying charges on a house. That's ridiculous and there really has not been a movement on the part of this government even to approach the problem from that angle because the priority lies in a different area—helping industry. The assumption is—and it is nothing but an assumption—that if we help industry, sooner or later we will help somebody who needs a house. That's not necessarily true and, frankly, I would be hard pressed to find an instance in which it is true.

In terms of dealing with another aspect, if we like, of corporate life in Ontario, I see the government attempting to help corporations and I don't disagree with that. I don't see anything wrong with that at all. I have just come from listening to the estimates of the Ministry of Consumer and Commercial Relations and I don't have any bone to pick with a government which tries to help industry or tries to help corporations. All I am saying is there ought to be equal emphasis on the people who buy their products, that is on the consumer; and that's not there.

I have heard the minister say repeatedly, "The people have somewhere to go. They can get a class action suit going or they can get a lawyer and sue the company."

I suppose from one point of view that's valid. If one is not happy with whatever was bought or the service which was purchased one can get a lawyer and sue them but in practical terms for the people who buy the stuff that's no alternative at all. To say to somebody who has made a major investment in something which is faulty—we could run through the list from automobiles to houses to any kind of goods—that he can go off to court, grab a lawyer and go to court for two or three years and then get some answer, is no answer. That's no answer at all.

For the rich, that's a workable solution. Someone who is wealthy can afford to hire a lawyer, romp off to court and sit around for two or three years, not particularly concerned about what the outcome would be. Someone who is not at that level of income just can't cope with that situation at all.

I had a lady call me this morning at my constituency office. She happens to be one of those unfortunate people who bought one of those expensive houses in Oshawa. The developer who built it really didn't do much of a job on grading the property so her backyard is kind of the cesspool for the neighbourhood; that's where all the run-off water goes.

We had to explain to her, "In Ontario, the laws are such that you have the right to sue the guy." She was making the case to me, "How do I sue this guy? Where do I get the money for the lawyer? What do I do for the two years it takes to get it to court? What do I do afterwards?"

Frankly, there are some alternatives—there is no question about that—but certainly they are not desirable ones and maybe not even efficient ones in Ontario because basically the thing is geared to the producer. Whoever builds the house has got the ace. The consumer at the other end has an up-hill battle.

One can hear the Minister of Consumer and Commercial Relations (Mr. Handleman) saying, "We did this. We put a cease and desist order on Vic Tanny's," but that's rare in Ontario. One can hear the defence mechanisms that everybody has a right to get a lawyer and take him to court. That's true but that is also rare and that's also not much of an answer for most human beings.

We were discussing in there the kind of hidden warranties which some automobile manufacturers supposedly were using. It's fine to say that if one is Ralph Nader and has a team of lawyers or is prepared to stick it out for six months or two years and chase whatever corporate entity it is around the block, one might get a warranty but for most people that's not a practical solution. That isn't an answer for them at all.

The point I am attempting to make concerns the priorities of this government—and they are, I think, well displayed in this budget—the priorities of this government are really set from a corporate point of view. If they want to do some good, that's the approach they take; that's where their perspective lies, that's clearly where their priority is. It is not at the other end of the scale. It is certainly not with the consumer. It is certainly not with working people, and in

terms of the taxation process I find it phenomenal, absolutely phenomenal, that that process is reversed—that when it comes to taxing, then the priorities seem to be ordinary working people. That's when they get their just desserts I guess, according to this one.

[4:15]

I might say that even in terms of influencing a government that seems to be true. It seems to be not too difficult, and I've heard ministers say it in the House many times. They are about ready to meet with the heads of that corporation; in the pulp and paper strike, they meet with the executives in the pulp and paper industry. In any other kind of a problem, they grab the industrial people first and they bring them into the room and have a little discussion with them. They might—just might—go and talk to the union as well, if there is a union in that situation, but that's a little on the rare side.

The only time they get much attention is when they parade on the front lawn out here, but on a day by day basis, this government deals with the corporations, on a day by day basis, this government deals with their executive. That's just the information source, if you like. The only other source of information or influence that comes in here is kind of when public pressure hits a certain boiling point, and that's not all that often. It happens once in a while but it isn't really all that often. When it hits the boiling point and then pops open, then the government is prepared to react, but not before it does that, not until that particular thing happens.

I suppose we could hear chapter and verse from the other side of the coin, that in Ontario there are a number of good laws in the books. There are, without question, good laws in the books in Ontario, but unfortunately that's where they are. They are in the books. They are not in the streets and they are not in action. If we left Ontario, we could probably take our statute books out somewhere else in the world and say, look at what a great province Ontario is. Look at all the statutes we've got, because we have certainly got them, but we don't use them very much. We don't see that they are thoroughly enforced. At that critical point where we have to make that decision, do we enforce the laws we have or do we interpret the laws we have? In Ontario, this government always opts for the latter. They always want to interpret the thing and see how valid things are.

I want to deal, too, with some things I think are observations of one form or another. There is a form of aristocracy at work in Ontario and most of it is sitting on the empty

benches on the other side; and I don't begrudge them that, they are quite welcome to that one. What I find is ludicrous, though, is the definition of the work ethic that's coming out. With the great Tory turn to the right, there seems to be at the same time a great return to the work ethic. "Everybody be good and work hard 12 or 15 hours a day and don't grumble about your pay," that kind of thing.

I accept that from people who really have spent their lives working their way up through a system. I really accept that from people who are self-made men and are just totally devoted to that. I think it's a little nil perhaps, but for most of us on this side of the House, particularly in this caucus over here, that's where we spent most of our lives. There are very few millionaire sons over here, not that there is anything wrong with being the son or daughter of a millionaire, but there aren't very many of us over here, and certainly the people we represent are the workers. They are the people who spend their time making cars or whatever it is, producing steel or making pulp and paper. I find it odd that we're made the subjects of great long lectures on the work ethic. I don't really see how that falls into place at all.

We have this commitment to the kind of human needs and the understanding of those things. I've heard the Premier (Mr. Davis) say a number of times that we don't have a monopoly on caring for people. That's true. That's certainly true. The problem this government has is when it gets past that point about caring, when it gets into the realm of actually doing something, that's where the problems arise.

This government has a great tendency, and it used them in this budget, to make a decision based on some kind of statistical analysis, and it doesn't really matter whether the analysis holds water or not, or whether or not it is true, or whether it is relevant even, but if it gets something that has a bunch of numbers attached to it with some kind of a formula, that's what this government loves to have. When it closes hospitals, it likes to have that kind of an analysis. It doesn't matter whether it is fair. It doesn't matter whether it is accurate, as long as they have some kind of a report somewhere that says something they can use.

I am told that there are entire files of analyses of this, that and the other thing, and statistical evidence which will prove almost anything, and that the government is quite prepared to pull whatever analysis proves the point it is trying to make at any given moment. I really don't doubt that; I really

don't doubt it at all. This government, I think, has displayed a rather courageous stand in spots about ignoring reality. It doesn't want to deal with real situations; it wants to deal with numbers and is not terribly concerned—or at least deals as an after-thought—with what the consequences of its government action really are.

Let me get back to this basic point that I want to make about zeroing in on working men and women. I would understand too that there is some rationale behind this. There are more of them; there are more people working now. If you want to tax each one of them a little bit, as opposed to taxing one group a lot, that is perhaps a painless way to do it. There is that theory of taxation that you should tax everybody a little bit equally and not really go at those who make rather large amounts of money.

My concern essentially is that I think there has been a mistake in judgement made. I really think the government has hit the saturation point at certain levels, that there are working people in Ontario who are taxed right to the teeth and there isn't any room left. This government, in this particular budget, has hit them in several ways, some directly and some indirectly, and I am not terribly sure that it is going to be able to do that successfully this time.

I recognize the success that this government has had in doing that a number of times previously—of hitting everybody a little bit—not enough that it hurts, but just enough to generate considerable millions of dollars of revenue and no one even notices that he has been hit. This time I think it might have done it. This time I think it hit its base group in a number of ways, some of which are indirect, I know, but I think it hit them just a bit too much. I think it gilded the lily a bit.

Let me nail down a couple of things that I think the government did do right. I think that when it got into that area of what we call the sin taxes, I guess—taxing beer, liquor, all forms of alcohol and cigarettes and things like that—it probably hit them a bit. It certainly didn't come anywhere near the mark of what they did in Quebec this past week where they doubled their taxation proceeds on that. I think perhaps this government's judgement in those areas was not that bad. It probably could have squeezed a bit more in taxation purposes on those items.

Let me tell the government what my concern is. What is it doing with that money? Where does that money go? Is that a legitimate source of revenue for the Province of Ontario to spill into its general funds and use

as it sees fit, or when the government collects that kind of taxation money does it have—if you want, a social obligation; if you want, a moral obligation—to use those funds derived from those particular sources to deal with the problems produced by those sources at the end of the process?

Is the government really doing very much pursuant to the problems of alcoholism in Ontario? I guess it is all a matter of perspective. My opinion is no. It is continuing to allow millions of dollars to be poured into advertising to convince people it is a really good thing to drink whatever beer happens to be on or whatever kind of alcoholic beverage is being touted at the given moment.

It strikes me that is a particularly useless exercise, at any rate. Most of the people in that kind of industry with whom I have discussed the matter seem to agree they are not increasing their markets; they are really all fighting for a set number of people who will consume alcoholic beverages, and the game after that point really is to see who can get the largest share of that set market. That seems to me to be a useless exercise, frankly, and yet no one seems quite prepared to deal in a meaningful way with the problems that alcoholism causes in the home, in the work place, in the society as a whole.

There isn't any reallocation of funds that are generated from that kind of taxation into that kind of research, that kind of education, that kind of corrective process, if you like. That transfer is not made. The government views it as a source of revenue and I think that is wrong. All right, it puts money into the coffers for sure, but if it is to do that, then I think the government has a moral obligation to see that that money is spent to correct the problems it has caused.

Maybe we are into a kind of esoteric argument about degree, the amount of money spent, and the kind of money that is put into it. We might even get into the argument about prohibitionism or things like that. I don't think all of that is necessary. I think, frankly, in realistic terms we are talking about the people who abuse these things. We are talking about taking set amounts of taxation moneys raised from those specific items and channelling that money back into corrective programmes—to correct abuses, to be very specific about it. At some point in time you are going to hit a critical reaction point in that kind of taxation, in taxing the little things.

I could quote some instances—I suppose we all could—of people who said, when the gov-

ernment went the extra measure on the cigarettes, "That's it for me. I am not smoking is probably a good thing. From the government's point of view, the problem is that when that critical point is reached, it starts to lose revenue. If the purpose of the tax in the beginning is to generate considerable amounts of funds for the coffers, when we hit that critical point, we start to lose money. I think the government is not too far off that one; it could probably get on the sin taxation process a bit more, but I don't think so.

Let me tell you, Mr. Speaker, about one of the things in this budget that caused quite a little furore in my riding. I really hadn't anticipated the kind of furore it caused when the government raised the OHIP premiums. That got them. I listened to the Treasurer make his spiel in the House, and I thought that while he got a little carried away with himself and was given to his usual kind of excesses, that that wouldn't hit too hard. But it did hit—and much harder than I anticipated. And the public reaction is a little larger than I had expected.

It is true—and I have some difficulty rationalizing this—that it's double what the Anti-Inflation Board is supposed to allow for any kind of price or wage increase. I have great difficulty explaining to people, "Yes, your wages are controlled. Yes, there is supposedly some price control, although I can't tell you what prices they have ever controlled. But, on the other hand, taxation can kind of roll on. They are exempt." That's the nice thing about the whole anti-inflation programme.

It makes no sense to me. Frankly, I have had no success in convincing anybody else in my riding that it is even logical, let alone right. But that OHIP premium hit. And in my riding for some reason, perhaps because there is a strong trade union movement there, the whole argument about the employer picking up his share didn't wash a whit. I don't think I have met one person who has accepted that the employer is going to pick up that money and that he shouldn't worry about it. They all know that they are going to the bargaining table this fall; and whether they are working for General Motors of Canada or somebody else, there are very few people in my riding naïve enough to think that they don't pay for that in some way. At some point in time they'll get hit with that particular increase. They might not get hit now, but they will get hit.

Directly or indirectly, the government is again hitting at the wages of those very people that it expects to carry the taxation load for the Province of Ontario.

In a very indirect way, I suppose—at least I thought it was set out to be an indirect way—the Province of Ontario, in this particular budget, has managed to raise substantially municipal taxation. What I think is unique about it all is that I would guess it would work in most times in the history of Ontario. I would bet that if the government had tried this number 10 or 15 years ago about holding the line to increase the ability to raise revenue at the provincial level and to sock it to people at the municipal level, that would have worked. Oddly enough, that one doesn't seem to carry much water locally either. Perhaps it is because it is an election year for municipal politicians. There are a number of Tories on municipal councils as well, but there are very few of them who are willing to take that one on the jaw for the government. They are quite prepared to tell their own people where that increase in municipal taxation came from and what that cause was—the kind of restraints that were put on municipal programmes, despite what I thought was a rather firm commitment not to do that; to adhere to the Edmonton commitment; to see that a number of programmes—and this is where we get into the irony of it all.

In my area, and I suspect it's true across Ontario, there were a number of great projects that went up with a great flourish last year just before the election—things like a little daycare centre in Bowmanville and a number of other things. Last year, there was lots of building in Ontario and lots of funds to put up that kind of stuff. This year, on the other hand—and in some cases it's not for a full year; it's for four, five, maybe six months—the municipal council now has to roll in there and pick up the operating costs for those.

Last year, the Province of Ontario was quite prepared to build this particular project or that particular project, to cut the ribbon, to get pictures in the paper and to announce to everybody at large that the Province of Ontario funded it either in whole or in part. [4:30]

This year the Province of Ontario is not prepared to fulfil its commitment and to keep that particular project solvent, so the local council is, I think quite rightly, going through the throes of a very difficult situation. Let me give a couple of examples of that.

One of the things which is most dramatic in and around my riding lately is the matter of the Whitby police station, where the police commission locally was directed by the local council that everybody has to cut back this year. These are tough times in Ontario.

We can't make it any more as we once used to do it. We can't live high off the hog. We have to practise restraint or constraint, or whatever the current term is. So they decided to close a little police station in the town of Whitby. Frankly, I could never figure out why it was built in that particular place, but nonetheless it was, about five or six years ago. It was virtually a brand new building, though it had some other problems surrounding it.

They are going to close that down because they can't continue to operate. In a sense, it is kind of like the hospital closings. The people in that particular community—and I imagine we will hear from their member when he speaks on this—are very upset about that. There was not a substantial saving in dollars involved, and that I think is the crucial point. They are putting municipalities in a position of cutting not only worthwhile projects—I don't like that term—but things that they need in their community, and they will not save substantial amounts of money in the long run but they have to cut it somewhere. They have to nickel and dime the thing, and that becomes a vicious process.

It becomes vicious in the sense that much needed services in the community are curtailed or cut off altogether, because they have to at least appear to save money somewhere. It doesn't matter whether saving \$30,000 or \$40,000 out of a municipal budget of \$15 million to \$20 million is for real. It doesn't matter whether that saves any of the taxpayers in that municipality one red cent on their taxes. That local government has to fall in line with the provincial government. It has to say: "We made the effort to save money." Whether they really did or not is a good question.

The entire debate that we have had in this House over health care really hasn't got the bottom line attached to it yet. At the end of this year, if the orders in council are upheld and the government is allowed to close those hospitals, it might be able to say with some accuracy how much it has saved, but up until that point it is all talking about projections. That's the problem with this kind of budgeting procedure that we use in Ontario, it is looking at projected savings. Not real savings—we won't know that for a year or so—but projected savings. The government may or may not save that money. In fact, what most often happens is that it may well save that money in that area but it costs it far more somewhere else.

If we look at things like social services, which we have discussed at length, we may

well save some money in the social services budget. I will wager quite readily with anybody that they won't save any money out of their total budget at the end of the year. In a number of instances—and I see them in my riding now—there are people who need assistance, and I like to hear the Minister of Community and Social Services speak. I think it's one of the highlights of the House when he gives one of his answers to a question in the House. I like to hear him say things like, "No person in need in Ontario will suffer." That's good. I feel warm all over when he does that number in the House, because that's quite true and I have a list of people in real need.

Oddly enough, I have never had, in my constituency office since I have been a member of this House, or in my municipal office when I was on that council, a deadbeat come in and say, "They have cut off my source of revenue." I have never had anybody come in and tell me that. Perhaps somebody from the stock market would say, "Well, I had a loss today." I am told that there are all kinds of people ripping off the welfare system. I have never met one.

I have even had a couple of phone calls from people who say, "I know somebody across the road who is ripping off the welfare system," and I say, "Good, you tell me his name and I will go and see him and we will find out whether he is or not." At that point they always want to hang up. They always want out of the action there. They don't want to give me anybody's name. They don't want to tell me anything about anybody. They aren't sure.

One of the things that I find reprehensible about this entire approach, though, to that kind of social care, is that it preys on some of the baser instincts of mankind. We all have that little gut feeling that somebody else is ripping somebody off somewhere. We don't trust other people, and this kind of breeds on that and I find that really unfortunate.

I find it unfortunate from several points of view. First of all, for those people who are in real need, the government creates several problems not the least of which is financial but more than that it singles them out and makes them the centre of ridicule. In terms of those people who are working in social service or social delivery, if one likes, locally, the government has created some monumental problems.

Let me tell members something which I think is really sad. I visited the region of Durham social services office quite a few

times when the cuts were being discussed in the House. I think they have implemented the provincial guidelines and they're following those—they have pretty well for the past few years so it's not really very much new. In practical terms, there isn't much money saved because they always did that.

In practical terms, there's no real change in the policy because essentially that's what they did. The government did two or three things in this budget which are really unfortunate and which come out at the other end, I'm sure—at least I hope—in a way totally different from what the government supposed.

Let me list them. First of all, I found an amazing little statistic given to me by the people who work in that social services department. The number of threats on their lives—get this—threats on their lives has doubled since the restraint programme was announced. That's a ridiculous thing yet I recognize that they are very often dealing with very desperate people and I think it very fortunate that it's nothing, I hope, but idle threats. That kind of abuse which those people working in that social service delivery system have to take is unfortunate and the government has made a very difficult job which they have executed, I think, with considerable care, even more difficult.

Secondly, one of the few things—in Durham this was not a big deal but I must tell the House it's been a lifesaver for a number of people in the last few years—they did have some optional programmes. They did have some occasions on which if there was a particular need to be met by an individual—at least through my office whenever we could make a case that a real need existed and it could be solved with a few dollars, whether that meant buying some food, providing some transportation or getting somebody some furniture—whatever it was and in whatever way it was, they had a small fund over which they could exercise their discretion and make that happen. That fund is no longer there.

There's an instance in which that social service department, in order to come within the guidelines, made those cuts and did not save a substantial amount of money. In that instance, I think less than \$25,000 was set aside in their account to deal with such things. They just wiped out that entire account. It's not there any more.

I understand the argument that maybe we have to push people back to traditional forms of relief and traditional forms of charity. I want to remind members that they are not always there in every community and that

they are provided on a volunteer basis and can't be as comprehensive as they ought to be. Perhaps what's even more pertinent is that whenever I go to any of the meetings, whether it's to the men's hostel meeting or any of the charitable institutions around my riding, I find sitting there the people from the regional social services department—the same people.

I understand, because I serve on a number of those agencies and boards and whatever, the kind of financial problems they are having. I also understand the kind of added impetus this restraint programme has given their work. It has increased their workload without doubt.

I think, too, that this indirect form of taxation has not really been as indirect as the government would have liked it. It is being seen and, I think, understood quite clearly where that local property tax increase comes from.

I noticed as I read the newspaper accounts of the city of Oshawa and the region of Durham setting their budgets, not one local budget chairman stood up and said, "This year, guys, we're only going to have an increase of \$98 in the average property tax in the city of Oshawa. We think we've done a good job."

To a man or to a woman, they've all stood up and said; "This year, because of the restraint programme of the provincial government, your taxes will go up \$98." They all were extremely careful to identify who had caused the increase in taxation. I saw that from the school board; I saw that from the police commission; I saw that from the hospitals. Everyone, I think, is extremely cautious and maybe even a little overzealous to nail this government as being the villain that caused the problem. I think that's relatively fair.

What I'm concerned about is that it did not substantially reduce taxes; that, in fact, it substantially increased taxes, and that in a time when we have to look very hard at our priorities and how we collect and spend our money, it really did very little in terms of relieving anybody. It didn't even address itself to the question of spurring employment or job activities in the Province of Ontario. That's a thoughtie. I don't know how they do it, because they're sucking and whistling at the same time. That's an exercise that's interesting to try, but I don't think they can do it. I don't think we can throw people out of work on the scale that this government has done with its budget and really expect to save money on, for example, social services

costs. I really see some problems entering into the picture there.

Let me say a few words, too, about something that we always get thrown at us. It's inherent in this budget—I'm sure it's been thought of, but it certainly has not been the subject of much consideration—and that is an administrative review of the Province of Ontario.

I was really interested when that special review committee tabled its documents before the House. I was really interested in the way it went about its business. It, too, seemed fascinated with nickel and dime things. I didn't really see any substantive movement to reduce the costs of administration for the Province of Ontario. I didn't see that at all. I didn't even see them looking at that. I didn't see any evidence that that cost could be reduced, or should be reduced, or even what the cost was, because, in frank terms, even when looking at them through the estimates, it is very difficult to find out the exact numbers. It's almost impossible, in fact, to find out what the administrative costs for most programmes are.

(We can get a number, that's true. We can get whatever the minister is prepared to tell us. What we can't get is the actual cost. We have some difficulty. There is just a multitude of ways to hide it. There are ways to hide administrative costs in terms of contracting out, or in terms of allocating costs that went to one project in somebody else's budget.

There is just a wealth of techniques available to any government to hide its bureaucratic costs. This is the government that really made bureaucracy a bad word in Ontario. I find that unfortunate, because a number of the people whom I know who work in the civil service are really totally devoted people. They are trying to do a good job. Unfortunately, the process is not clearly defined and there does not seem to be—there's no delicate way to put it—nobody ever seems to look at anything. After it's been set up and running for a number of years it's there forever. Nobody looks to see whether it's necessary, or wanted, or working, or whatever.

In one of the estimates we were dealing with, the Ministry of Correctional Services, they were explaining to us how much money it cost them to move last year. Somewhere in the process of moving from downtown to Scarborough they lost four people. I assume that it was just because the papers weren't at hand, but they didn't really know whether the people had retired or were waiting out there at Bloor and Yonge for a ride or what.

They were just kind of lost. It's so typical of the bureaucracy.

When I was on the municipal council I always loved the developers coming in and crying on my shoulder about how the Ministry of Housing was handling their plans for a subdivision. I used to get a good chuckle out of that, but I had to admit they had a case. They had a case when they explained to me that their files went from Oshawa, to Durham, to Toronto, to Richmond Hill, to Cobourg, to Kingston and then came back. The chance of making that cycle is next to nil for a number of people who had plans of subdivision. What I found most infuriating is that those plans were held locally and dealt with, and sometimes at great length, for six months, sometimes longer than that. Then they came down here and sat on somebody's desk or got lost. It's an unreal thing to have happen. That is, frankly, the sign of an administration that's been kind of abandoned. No one pays particular attention to whether that administration works or works well, or to what happens in that particular department in order to reward those people who do a good job. Frankly, there's not much incentive in that.

[There are a number of bright spots in the bureaucracy in Ontario. I think one can find senior civil servants who do an excellent job, who make their case, but one little indication that something's wrong are the brown envelopes, without question. Those little brown envelopes do not come from a happy civil service. They come from people who are frustrated in their positions, who find it too difficult, too unreal, just a bad place to work. I think there has to be some serious understanding and review of that entire administration process. There is, frankly, in my view anyway, no need to consider bureaucracy to be a bad word. That doesn't necessarily have to be true. In my view, those people are there working for the people of Ontario, and I want to emphasize that they are supposed to be there working for, as opposed to working against, the people of Ontario.]

[4:45]

We had a small instance on the weekend of some people from my riding and from adjacent ridings who have a thing called the Big Game Association. They wanted to have a little meeting at the Legion Hall in Lindsay on the weekend. It was 9 o'clock Sunday morning. I asked the member for Durham East (Mr. Moffatt) to represent the party. We asked some people from the ministries to attend; in particular, we asked someone from Wintario to attend. On Tuesday or Wednesday

of last week I think it was, they said, "Sure, we would love to go there. We'll be there." They said so Thursday and they said so Friday. But Friday they called the guy from the Big Game Association and said, "We can't make it because we need to establish the criteria for giving out Wintario grants."

This guy has been around for awhile and he understood what was going on. The old bureaucratic shuffle was at work there. Somebody had hauled out some criteria that they don't use for anything else or anybody else I've ever seen. In fact, the same people from the same bureaucracy on Tuesday or Thursday night were quite happy to come into my riding and talk to anybody who wanted to talk to them at whatever length they wanted to talk to them about getting Wintario grants—how to fill out the application forms; how to do this, that and the other thing; how they would be allocated; all this kind of stuff. They were quite happy to do that on certain occasions, but not on others. The whole bureaucracy, the whole setup of how this government administers the Province of Ontario is just rife with that kind of thing.

I guess, too, there is a measure in all of this of how to zero in on people—how to make the cuts so that they don't hurt big people, they hurt little people. I find that really unfortunate. I find that attitude right through the entire constraint programme. I find it right through this particular budget, and can give chapter and verse if anyone would like. "Nail the little guy. Nail the little group that everybody thinks is no good anyway. Don't hit the big corporations. Hit the little people on welfare and always couch that in terms so you're saying 'welfare abuse.'"

I wish the government just did that. I wish that it would just nail those people who abuse the welfare system, because they deserve it. But how in that process does someone up here set a little magic number, pass that around the Province of Ontario, and say that by any stretch of the imagination that's a fair and reasonable way for the Province of Ontario to conduct its business. It's unreal. It is so simple, it's unfortunately a little on the sad side. It's sad because it's playing games with people's lives.

There are little people who are being hurt by this constraint or restraint programme. The government, I think, has been retreating since the day it announced the thing. I think it recognizes, in many forms now, that it wasn't a sensible programme for starters. But again—and I go back to my original point—it re-

treats when the boiling point is reached. It doesn't matter whether it is right or wrong or makes sense or is a logical approach to it all; the critical thing there, the priority item there, is when does the public boiling point hit? Only when it hits will the government react. That's sad. I don't really think the Tories have mean streaks in them. I know some Tories who are nice guys.

Mr. Laughren: Name one.

Mr. Maeck: How about me?

Mr. Breagh: Could I have a rep?

Mr. Lewis: There are none here now.

Mr. Breagh: I think the problem is essentially that the party as a whole is committed to one perspective and it doesn't allow the government to move out of that. It doesn't allow the government to move away from its corporate friends. It doesn't allow it to really deal with human beings on an individual basis. The kind of commitment that it has as a government and that it has exhibited over the years—I give it full marks for being consistent about this part of it—is that it really loves to get that little statistical analysis out. It hires a bunch of civil servants to produce this kind of an analysis, and in effect I don't doubt that in many cases it tells them what it wants first and they pull out the statistics to prove it. Then the government sticks with that, and the flaw in all of that is that it is not dealing with real things and it is refusing to acknowledge the needs of real people.

I want to move into a couple of other areas in the budget. I watched with great interest the little problems that people had about their credit rating in Ontario—about keeping it at triple A and little lunches that were held and little handholding exercises that were going on and the kind of discussions that we had about the good old \$2 billion deficit that is sitting there staring everybody in the face. Remember last year—what I always think is cute about this—when that budget was out there, and the deficit was there looking everybody in the face, at that time, just before an election, that was okay.

In fact, I remember the Treasurer (Mr. McKeough) and the Premier (Mr. Davis) and a number of other very prominent people in this government saying "What's a \$2 billion deficit? That is nothing, that is peanuts compared to the wealth of the economy of the Province of Ontario and we are all in good shape; no one has to worry, this province is well-managed and \$2 billion is an accept-

able kind of a deficit. Nobody is saying that is a small amount of money or anything like that, but it is okay," and at that point they always wanted to drag out their rating, and say we are triple A, guys, you don't have to worry about us.

I remember them feeling so strongly about all of that, so powerful about it all, that they went on this wonderful parade of giveaways, which happened to coincide with the provincial election.

I remember that was said to be, at that time, fiscal balance, responsible government; really dealing with the economy of the Province of Ontario in a very calm and rational and reasoned way. We are so well off in Ontario—and this was last year mind you—that we could laugh at, and they did on a couple of occasions, the \$2 billion deficit. We were so well off that they could handle that on one hand and throw away money with the other one. They did this on numerous occasions and they gave everybody a little break here and there. That was last year.

This year, because I suppose in some senses there was a little quibbling about whether the rating was going to stay quite that high or, what is more likely I guess, that someone decided that having done that number last year you can't play the same song again; this year you have got to go into a restraint programme. This year things are bad. Last year we tried to sell Ontario back to the people of Ontario and they couldn't afford it and so this year we have got to pay the price for that. We heard, I think, a substantial amount about: "Well, things aren't that bad. Don't get me wrong guys, things aren't really that bad; but there are some difficulties here and there, there are some problems. There might be a little downturn, we just have to tune the machine down a little bit. You have to get some grasp on things; we will shut down a few hospitals here and there, we will cut back a little social spending, we will get all that sorted out in due priority, and then things will be fine."

I am not sure whether that was done because it was economically necessary or frankly, as I guess we would have to put it rather plainly, just plain political expediency. It seemed like a good idea politically instead of in economic terms.

I wanted to say a couple of words in this budget because some monumental things happened. For the first time, in the history of Ontario, the government of Ontario recognizes the importance of the auto industry. I remember in 1967, when there was a renego-

tiation of the auto pact between Canada and the United States, the Province of Ontario, at that time, was virtually adamant that it really had nothing to do with Ontario, it really was a federal matter; a matter of trade between two countries and they stayed out of it by and large.

I remember even last spring, when at one point we had 7,000 workers of General Motors of Canada in Oshawa out walking the streets, laid off. I remember we had a delegation of municipal councillors from the auto-producing cities in Ontario meet in Oshawa and I remember quite frankly that the response from the government of Ontario was pretty straightforward: "that is not our business, that is a federal matter."

Well, I am pleased to at least see that the importance of that industry is now recognized and it is right in the old budget, and there is one of the little sub-budget booklets to go with it. It recognizes that the auto industry is pretty important to the Province of Ontario. I note, and I think with some wisdom, that nobody is purporting to have any easy answers—no two or three points that will just womp the thing out.

I want to deal with some of the problems that are there. First, and foremost, a significant thing has happened; you have recognized the importance of that industry, not in just producing vehicles themselves but in terms of parts and associated items that have come along with the auto industry; that has been recognized. It is at least written into your budget this time and it is a major part of the Ontario economy. In Oshawa, one of the small charges I used to get is that in the Oshawa city budget, I think for about the last 15 or 20 years, there has been a report—and, by tradition, is put into the city budget books—on the state of the auto industry in the city, because that reflects substantially on our economy locally. When a big plant goes out, when there is a strike or a layoff or a shutdown, it affects the economy of the whole city—and you can see it—but in Oshawa at least the people who work and live there are prepared to accept that. When there is a major strike or a work stoppage in General Motors of Canada in Oshawa, nobody is running around trying to repossess houses. Nobody is running around trying to collect bills they know can't be paid. The people have come to accept that when that situation occurs in our city, they have to deal with it in terms of special circumstances.

Mr. Laughren: Finance companies love it.

Mr. Breaugh: They do. Even things like finance companies, which are perhaps not nice, deal with that; they accept that in Oshawa. I don't want to say that it's the power of the trade union movement in the city, but I think without question there is a substantial influence there and I'm pleased to see that the Province of Ontario is finally recognizing that.

There are some areas that I would like to offer for the government's consideration, because I have read several government documents which address themselves to the auto pact and the auto industry. There are some problems in terms of parts production, without question; there is a major problem in terms of capital investment, and there is a major problem in terms of price differential. Those are the three major areas that need to be looked at and, I think, some resolution reached. We could play with words and say that we really don't want to open up the auto pact; we want to renegotiate certain parts of it. I'm not particularly sure, having read some of the American studies and seeing their point of view of the auto pact, that we should be all that anxious to renegotiate the pact in its entirety. But I think it's true—and it is stated quite clearly in the preface to the auto pact—that from time to time certain adjustments have to be made. I think essentially that's what we're talking about.

The kind of jobs that are involved, and the related economic support and influence brought about by the entire automotive industry in the Province of Ontario, are substantial. We can trot out all the statistics about how many people are employed, how much capital investment is there and how much wages are earned, but from my point of view I think it suffices to say very simply that it's enough to recognize that fact and it's enough now to get very serious about dealing with that problem, because I think it's a milestone to have the government of Ontario recognize the importance of the auto industry.

But let me throw a little tag on the end of that. Let me say that I think it's time the government of Ontario dealt with the auto-producing companies in a significant way. Frankly, I find it abhorrent, every time we go to some kind of transit system, that we can't find a vehicle produced in Ontario that's satisfactory for the municipalities to use. Why do we have to buy vehicles from other parts of the world when the automotive industry is such a substantive industry in the Province of Ontario? Why do we have to set up and deal with, if you like, on a very expensive basis, some kind of trans-

portation corporation? Why can't we deal directly with people in the Province of Ontario who produce buses, trucks, cars or whatever?

I think it unusual and quite responsible that the United Automobile Workers themselves, for example, are quite happy to acknowledge that, in terms of economy and fuel consumption, we ought to be producing smaller automobiles, that we ought to move into mass transit and that we ought to find an acceptable means of doing so. Quite frankly, from the workers' point of view, and without doubt, if you make it profitable, from the company's point of view, I think they are quite prepared to enter those areas. In closing, let me run back over a couple of points—

Mr. Speaker: Can the hon. member finish in about 30 seconds or a minute?

Mr. Breagh: I sure can; with ease.

The government seems to have identified very clearly the group of people in this society that it wants to tax—working people, men and women who are out working and earning average salaries. The government of Ontario really has provided little direction, and on occasion I find it difficult to understand that it has even co-operated with the industrial sector. In terms of planning, whether that planning relates to land use, industrial growth or economic stability, the needed leadership is not there. I think it is unfortunate that we seem to be quite content to wait it out, to see what happens in the longer process of things, in the hope that some salvation will come from another quarter. I don't think it will. I think the government is going to have some problems and I think this budget will not really live through the year in its present form; there will be some substantive changes to it.

Mr. Breithaupt moved the adjournment of the debate.

[Motion agreed to.]

[5:00]

PRIVATE MEMBERS' HOUR:

POST-RETIREMENT INTEGRATION OF INSURANCE MONEYS AND PENSION BENEFITS PREVENTION ACT

Mr. Laughren moved second reading of Bill 68, An Act to prevent Post-retirement Integration of Insurance Moneys and Pension Benefits with Increases in Government Social Security Plans.

Mr. Laughren: Mr. Speaker, this bill entitled an Act to prevent Post-retirement Integration of Insurance Moneys and Pension Benefits with Increases in Government Social Security Plans, is a bill with a single purpose. The purpose of this bill is to prevent the reduction of moneys paid out under an insurance or pension plan due to an increase in a government pension or security plan, whether that increase be of a cost of living nature or a general legislated increase.

The problem at the present stage is that the two plans become integrated and the increase in the public pension is not recognized. By government social security plans I am referring to the Canada Pension Plan, the Old Age Security Act, the Department of Veteran Affairs Act, the Ontario Guaranteed Annual Income Act and the Family Benefits Act.

Section 2 of this bill is its heart and it reads very simply:

Notwithstanding the provisions of any other Act, no insurance money or pension benefit shall be reduced by reason of an increase in any payment made under a government social security plan.

This bill would legislate in favour of stacking pensions and against integration. For reasons which I shall outline I believe the present legislation discriminates against pensioners.

This bill is particularly opportune at this time because of the very high rate of inflation which we are experiencing in this jurisdiction and in others. It is hard to believe but when I was doing some reading on pensions I came across the following quote from the pensions division of the National Trust Co. Ltd. This is in 1960, "A 25 per cent rise in the cost of living in the last 10 years has focused attention on the serious threat of inflation to sound pension planning."

Here we have a 1960 document decrying the rate of inflation at 25 per cent in 10 years. Today we see that kind of increase in somewhat more than two years.

Perhaps it would be appropriate at this time to indicate just what I mean by a pension and I have attached my own meaning to pension rather than just a dictionary definition. To me it is to provide a retired person with an income which allows him or her to live a retired life with dignity and, hopefully, with some relationship to the standard of living prior to retirement.

I know that may not be a technical definition and there's certainly value judgement in the words "retired life with dignity and

some relationship to the standard of living prior to retirement" but I don't think that we can reasonably talk about pensions and about retired people without talking about their right to live with some degree of dignity.

This bill will not guarantee a reasonable standard of living for Ontario pensioners but at least it's an indication that pensioners do need to be protected. In Ontario, as in other jurisdictions, there is no shortage of social security plans for pensioners, for people over 65. There are private pensions; there's personal savings; there is the old age security, the guaranteed income supplement, the Canada Pension and the Ontario Guaranteed Annual Income scheme known as GAINS. Yet, just as in the rest of Canada, that does not remove the problem for our senior citizens.

In 1973, the latest year for which I could get statistics, 21 per cent of families and 48 per cent of individuals over 65 were poor and over half of them were receiving the federal guaranteed income supplement. I know some people will argue that if these people would have only embraced the old virtues of saving and thrift and proper budgeting they would have been able to provide for their retirement in a better fashion. What people who say that are implying is that they should have set up their own, independent pension plan. The trouble with that is that with the way these private plans work, they'd benefit primarily and almost exclusively the middle and upper-income earners.

The ordinary working person simply cannot set aside a sufficient portion of his or her earnings to pay into a separate pension plan. As a matter of fact, those who do pay into the private pension plan, commonly known as the registered retirement savings plan, are subsidized by those who do not pay into it.

I say that because when someone pays into a registered retirement savings plan they deduct the payments before they pay their income tax and consequently their taxable income is lowered. Then, when they receive those benefits at age 65, if that's the age they are working toward, they put it into the form of an annuity and draw it on a monthly basis. Then they only pay tax on it at that level.

Invariably the post-retirement income is lower than the pre-retirement, so obviously they are paying taxes at a much lower rate. It's not unusual in the kind of society we have for low- and middle-income earners to be subsidizing those at higher earnings. But that doesn't make it right.

As a matter of fact, back in 1973, two-thirds of all contributions made to registered retirement savings plans were made by those who earned over \$10,000 a year. I suspect that if that same survey was done today, it would be close to \$15,000. So you can see it's not a privilege of the average working person in this province.

As a matter of fact, in all pension plans it's similar to that. In 1973, of those who earned in the \$20,000 to \$25,000 range, 60 per cent contributed to a pension plan. At the \$10,000 salary range only 50 per cent contributed, and at a \$5,000 salary only 30 per cent contributed to a pension plan. Once again, those in the upper middle-incomes are those who can protect their incomes after they retire.

Without being maudlin about pensioners, it's safe to say that they are not well looked after by our society, despite all those layers of income security programmes at both the federal and the provincial levels.

In the years to come, there's going to be a larger proportion of our population consisting of citizens over 65. This, of course, is because people are living longer and because of the rapidly declining birth rate. For this reason the argument is sometimes made that a small portion of taxpayers will be footing the bill for a larger portion of the population. As a matter of fact, I read in *Weekend Magazine* just this weekend—it goes with many of the daily newspapers in Ontario—that this was the case. They were decrying what was ahead for us with the smaller number of taxpayers supporting a larger number of people who are not paying very high taxes.

In fact, that's simply not true. The research in that article was deplorable. As a matter of fact, we've succeeded in this society in building the kind of system that is for the young and the swift, whether it be of mind or body. The young and the swift can cope with our system; obviously they can cope with it because that's who the system was built for. They have no trouble coping with it at all. I often wonder what would have happened if we'd built a system for the people who are old and slow, once again either of mind or body.

I can't help but draw a comparison with our educational system: In the classroom, if the teacher taught for the slow learners, what would happen to the ones who learn very quickly? They would become bored, restless and they would be dropouts. By the same token, if the whole system was geared to those who learned very quickly, you'd

have the same problem with those who have difficulty learning. That doesn't seem to have affected us, though, in looking after our population at large. We've definitely built a system that is for the young and the swift and pensioners get caught in that kind of situation.

I would say that for those people who are affluent there's no problem at all. There's all sorts of choice out there in the form of consumer goods, many of them frivolous, but nevertheless there's an enormous choice for them. That's not true for pensioners. I'm not talking just about income. I'm talking about things like transportation, health care, housing and recreation as well. I suspect that in the years to come, the increased numbers of pensioners will partly solve the problem as they become more of a political force in this province, but it's too bad it has to be that way.

If it wasn't against the rules of the House, I would introduce to you in the gallery a pensioners' club from Sudbury. They are down here today under the very strict supervision of Mr. Hannaway and Mr. Turkington. They are people who have got together and have become a very forceful lobby for pensioners in the Sudbury area. I might say probably their influence will spread beyond the Sudbury area. Certainly, one reason that I'm speaking on this bill is because of the work they've done in the past with the pensioners.

The bill we're debating today isn't going to solve all those problems I mentioned about pensioners but I would suggest to you that it's the first in a long series of moves that are going to be made in this Legislature and outside the Legislature to demand a better deal for pensioners. If this government was more forward-looking and dwelt less on its past glories, we would have, at the present time, a serious study going on in Ontario to determine and anticipate the needs of pensioners in the years to come and to see what can be done by government. I believe it truly is the responsibility of government.

I mentioned before that the number of people over 65, while they will increase dramatically, will not, in fact, constitute an undue burden on taxpayers. The Science Council of Canada did a study. So did Statistics Canada, and Statistics Canada talks about participation rates, and I know, Mr. Speaker, with your experience you know what participation rates are. But there are people who don't understand what participation rates are. Mainly it is the number of people in a certain age group between, say,

16 and 65, who are in the labour force. We know that that is increasing. For example, in 1953, 82.9 per cent of males were in the work force and working, and 23.4 per cent of females. For both sexes, 53.1 per cent of the total labour force aged 14 and over was in the labour force. In 1974 that had increased up to 58.3 per cent. So we have an increasing portion of the population working, primarily because of the increase in the number of women who are now in the work force.

The Science Council of Canada did a study which ties in very nicely with that and which counteracts the argument that was used in Weekend Magazine, namely that the number of old people would be a strain on the population. As a matter of fact, what's going to happen is that the number of children will have declined so dramatically that it will more than offset the increase in those people who are over 65. We all know the cost of providing education, and so forth, for children.

In 1961, the child dependency ratio was 0.83. In the year 2001, it's anticipated by the Science Council of Canada, it'll be down to 0.62. With those who are over 65, the aged dependency ratio was 0.15 in 1961 and it's going to be 0.18 in the year 2001. The point is that when you combine those two figures you get what's known as a total dependency ratio, in other words, the group of people in our society who are dependent upon the work-force for their support. This will drop from 0.98 in 1961 to 0.80 in the year 2001.

The Science Council did a couple of studies and that's the one that is the least dramatic. They did another one in which the dependency ratio drops from 0.98 to 0.63. So you can see that there's no question but that the dependency ratio is going to drop and there's no reason why we cannot provide properly for our pensioners in the years to come. It's not going to be an undue tax burden and we should address ourselves to the problems that are going to be with us.

[5:15]

This bill is, as I said earlier, not a cure-all for pensioners. It is one small step that will indicate to them that we are serious about their problems. The predicament in which many find themselves is one which requires a political solution. We surely have learned by now that neither the private sector nor people themselves can solve this kind of problem.

At the present time, a retired person with a work-related pension guaranteeing a certain level of income may not obtain the benefit

of an increase in a public pension. This means, of course, that when a cost of living increase or a legislated increase is awarded, the private pension benefits are reduced accordingly. This is done so that retirement earnings remain at a level proportionate to pre-retirement earnings. In view of the fact that the work-related pension is funded on an actuarial basis, this reduction in benefits represents a windfall for the insurer and this, surely, is unfair.

The employer's contribution to an employee's pension is the cost of doing business, nothing more and nothing less. For the employee however, the pension contributions are deferred income and as such should be received in full during retirement years. Under our present system, unless the collective bargaining agreement negotiates stacking rather than integration, the public subsidizes that private plan.

Many pensioners were delighted when the federal plans were indexed to the consumer price index. Imagine their disappointment when they realized that their employment pension was to be reduced by whatever amount the federal pension was increased. I would like to very quickly read you one typical letter that was received from a pensioner. This was from International Nickel.

Dear Mr. T.:

We wish to advise that your early service pension will become effective Feb. 1, 1974. Your pension amounting to \$321 monthly will be paid until you attain age 65. At this time you will receive your basic pension of \$134 until you provide us with confirmation that you are in receipt of Old Age Security and Canada Pension Plan benefits. We will then determine the amount required to assure you of a monthly income of no less than \$321.

In other words, the private pension will be reduced by whatever amount that the public pensions contributed to their income.

What needs to be emphasized is that indexed increases are merely a way of helping pensioners keep even. It is not some kind of windfall for the private plan to be reduced accordingly, if it is not criminal or dishonest, it is at least immoral and is just totally wrong.

The time has come when we must introduce legislation to ensure that pensioners are not penalized while private insurers benefit. The time has come when we must address ourselves to the problems of senior citizens. I cannot say it better than the Canadian Council on Social Development and I quote:

What is needed now is serious debate on these issues followed by appropriate action.

This would be important even if the number of the retired in our population was relatively steady. In the light of the anticipated large increases in the numbers and proportion of the retired in the Canadian population, it becomes a matter of urgency.

I urge this government to introduce legislation without delay. It will not cost the public treasury and it does, in some small way, provide a measure of justice for pensioners who are not responsible for our present rates of inflation. They are responsible, however, for the standard of living we now enjoy. It's time we recognize the contributions and move to protect them in their retirement years.

Thank you.

Mr. Gregory: I rise in support of this bill. Of course I do have some thoughts on it that I would like to voice. First of all, I should have said I rise in support of the principle of the bill. I think the member for Nickel Belt (Mr. Laughren) was quite accurate in what he said. It certainly would not be the intent of any government to have old age pensioners lose funds that they would normally get. If these profits were going into the hands of a private insurance company or financial institution, this is certainly not the intent of any government anywhere.

Now, what he says is quite correct. Some action has to be taken to correct this error if this, in fact, is taking place. The fact of the matter is that there are very few instances of this at the present time, very few. I really don't think that they have to be handled through a bill or through legislation. It can be handled by a simple regulation and this regulation, at the present time, is being considered by the Minister of Consumer and Commercial Relations. It is being considered and it will be presented to take care of this very thing.

I think we're losing sight of one thing. I would challenge your statistics on the number of people who take part in private pensions. You could be quite right when you say that 60 per cent of the people under registered retirement plans are people in the higher income bracket. When you analyse that, it's quite understandable because there has to be a certain income before you can even make it worth your while to put a contribution towards tax reduction. That's unfortunate because the amount of deduction those people in lower tax brackets would get would be inconsequential as far as taxes are concerned.

There is another regulation in a registered retirement plan that you mustn't lose sight

of and that is the fact that when you do register a plan, there is a penalty. That penalty is that the insurance benefits, if there are any insurance benefits, are locked in. A person in a lower income bracket cannot afford to lock in any death benefit, realizing that if he does die with a registered retirement plan, any death benefit is taxed. The lump sum is taxed at a minimum of 15 per cent and if death occurred one year after he started, that's a tremendous loss. So there are reasons why lower-income earners do not take advantage of this particular type of plan.

I think the member for Nickel Belt is quite accurate in that if an insurance company is taking any increases from the GAINS programme or the Canada Pension Plan and pocketing these profits, that is entirely wrong. I think you've got to be very careful not to institute something that prevents a deliberate integration of pensions thereby enabling someone to retire early. This is done quite often where, due to the timing that a person got into the Canada Pension Plan, they must wait until 70 to get the maximum benefits. The man may still want to retire earlier than that, say at age 60. Through the use of a private pension plan, be it an insurance company, be it a trust company or what have you, they can, by integrating, retire him early and provide a level income, taking into consideration the then calculated amount of the Canada Pension Plan, thereby levelling his income out right from age 60.

But if that happens, any increases in the Canada Pension Plan benefits or GAINS benefits or what have you, must be paid to the recipient. I guess I am agreeing with the member. At the same time, I'm pointing out that we don't want to put something in that is going to eliminate any possibility a man may have for taking early retirement. I think that has to be seriously considered.

Therefore, whereas I support the intent of the bill, I think it would be a little more accurate and far safer to do it by a regulation to the existing Act, and this, as I say, is being considered.

Nobody can argue with this. I think we all feel the same way. It's a motherhood issue that nobody wants to penalize any older person, that's for sure. I think you should examine again your statistics which show that only the poor people are suffering. I think this is not really accurate. I'm an old insurance man. I know, and any insurance company will tell you, that by far the vast amount of money they have invested or wasted with them in retirement plans or even

ordinary insurance contracts, with or without insurance, are invested by the small wage earner. By far, this is the main selling point of any insurance company. It is an investment that the small investor can get into.

I think if one investigates one will find that the vast majority of high income earners, people who have money, do not invest in insurance companies. They invest in stock. They invest in General Motors, which we heard about a short time ago. This is where they invest their money.

Mr. Laughren: They wouldn't touch an insurance company with a 10-ft pole.

Mr. Gregory: But the smaller wage earner doesn't have the large amounts of capital—that's the secret—to invest in stocks.

Mr. Laughren: What you are saying is that the poor guy is getting ripped off again.

Mr. Gregory: No, he's not getting ripped off again. I'm saying that under our present system of free enterprise he has the opportunity of reaching the point where he can get into this bracket. This is the place where a man can earn what he wants to; all he has to do is go to work. The member knows that. The insurance company offers—

Mr. Laughren: What?

Mr. Ferrier: That's a myth.

Mr. Laughren: Horatio Alger is alive and living in General Motors.

Mr. Gregory: The insurance company offers a small man a chance to invest his money at a pretty fair return—pretty fair—when he can't invest anywhere else.

Where can one buy stock and pay \$5 per month? One can't do it. I'm not defending insurance companies. All I'm saying is there's a very—

Mr. Samis: Sounds like it.

Mr. Gregory: No, I'm not. I'm trying to point out the fallacy of what was said a little while ago about the only people who have any money to invest in pensions are rich people. This is ridiculous. It is absolutely ridiculous even to say that.

Mr. Laughren: Show us your statistics.

Mr. Gregory: I think probably my statistics are a little more up to date than yours.

Mr. Laughren: Let's have them.

Mr. Gregory: We don't have to use statistics and numbers. We can do anything we

want with numbers. As a matter of fact, since I've been here I've noticed that you people do a lot with numbers, by manipulating numbers.

Anyway, the point of the matters is, I agree substantially with the member for Nickel Belt. I dispute his statistics and his logic but that's not so unusual. I think we are basically agreeing but I am suggesting that it would be properly handled by regulations rather than the bill.

Mr. Haggerty: Mr. Speaker, I rise to support Bill 68 in principle, An Act to prevent Post-retirement Integration of Insurance Moneys and Pension Benefits with Increases in Government Social Security Plans, introduced by the member for Nickel Belt.

The purpose of the bill, as noted under the heading of "Explanatory Note," is to prevent the reduction of moneys paid out under an insurance or pension plan because of a general increase or cost of living increase in the government social security plan with which it may be integrated.

To me, after due consideration of this explanatory note it does not permit the stacking of pensions in most cases. The bill does not permit the complete dovetailing of private pension plans into our social security programmes. Collective bargaining has achieved much in this field of pensions for employees in many industries in Ontario.

In many industries the purpose of the pension agreed upon at the bargaining table—other industries have provided exceptionally good pension plans outside any bargaining structure—was to encourage early retirement and to provide some means of annuity to the widow or widower of a deceased employee at the time when that person could draw or obtain old age security benefits. Of course, there are a few instances of pension plans already in effect by which some employees will be able to retire on a benefit equal to full pay; other plans reach or approach that level when social security is added.

Most pensions now in existence work in the reverse order. For example, General Motors Corp.'s pension plan: There is a letter here from the Metropolitan Life Insurance Co. advising an employee at General Motors in St. Catharines that due to his long-term illness—he has a heart condition and apparently will not be able to return to work—he has been given notice that his sick benefits will be cancelled at such and such a date and that he'll be going on a company pension. They also advise him to contact the

Canada Pension so that he can receive his Canada Pension on early retirement. I suppose if one looks at the pension of General Motors, the gentleman has perhaps worked 10 to 12 years; he will receive a basic pension under the company pension plan of \$100 a month and then there is a supplementary pension of \$100 a month which will bring him about \$200 a month. When he applies for Canada Pension Plan he will receive under that scheme \$140 a month. But what happens in this case is that \$140 a month will be deducted from his company's pension plan so he gains nothing except about \$40 more per month. So he is losing money.

[5:30]

Mr. B. Newman: He has paid into it.

Mr. Haggerty: Yes, he has paid into it behind the scenes—perhaps it is a non-contributing plan—but in the long run the consumer, and the employer of that particular industry, when he goes out and buys the product, is paying for that particular pension plan.

There are a number of cases that I have come across and it has been brought to my attention that persons are affected by it. The member for Nickel Belt has mentioned one of the plans at Inco, which is a non-contributing plan by an employee. He contributes nothing. But it is part of the bargaining process and I say this much about the International Nickel Co.; they had it long before they went to the bargaining table for it. It is an exceptionally good plan but it's a wealthy and healthy plan for the company.

In many cases here, where this person is going to lose this \$140 a month, it goes directly to the benefit of the private company pension plan or it may even be a private insurance pension plan. So there is a loss to a person who has become to some degree disabled in that short period of time while employed in industry, and this is the particular area that I wanted to discuss with the members of the Legislature this afternoon. I believe there is much to be desired in improving the pension plans in the Province of Ontario and particularly relating to industry, where many persons have had to take an early retirement and in the matter of the social security programmes that we do have here, that person has been penalized.

I feel that in no way should that person be penalized for that loss of income because over the years he has contributed into the scheme throughout Canada. I feel this is one particular area where we should be moving more in the direction that a person

is not going to be pegged at that level of poverty and you can always pick out, in any of these pension schemes that we have presently, that it works to a level of about \$5,000 a year. That is how they work it.

If a person has to receive an early pension retirement plan from an industry or a company, he may in many instances have to apply for some type of welfare assistance, and you can rest assured that that will be brought to the level of about \$5,000 a year. Surely people working in industry today in Canada and in Ontario should be entitled to further benefits than that; that through some degree of disability he should be penalized. He has made every effort to provide a means of a fair living standard and I think that should continue.

I have a letter addressed to me from a Mr. Tom Hannaway, president of the pensioners' club, and it says:

Mr. Floyd Laughren, MPP for Nickel Belt, has introduced a private member's bill which would require the stacking of pensions in Ontario. As you may know, at the present time when government pensions are increased due to the increase in the cost of living, private pensions are often reduced by a similar amount. [He is quite right in that] This procedure by the private insurance companies gives them a windfall at the expense of the taxpayers who support government pensions. [And I believe that he is right in this particular instance] In view of the fact that private pension plans are actually based on contributions into the fund by the employee, it does not make sense for those same pensions to be reduced when the government pension is increased due to the increase in the cost of living.

That is the point and the intent of this particular bill as I interpret the intent of it in the second clause:

Notwithstanding the provisions of any other Act, no insurance company or pension benefit shall be reduced by reason of an increase in any payment made under a government social security plan.

As the member has stated, this isn't a cure-all for the many problems that exist in any pension schemes in Ontario, but it is a step in the right direction and I feel that we in the Liberal Party will support the bill in principle, but as I have mentioned before, I would like to see it broadened out to cover many areas that allow the stacking of pensions; not to say that the person is going to get rich on any stacking, but there are the inequalities

in pensions throughout Ontario where you have certain groups that are allowed to stack pensions. I can relate to this particular chamber where members are allowed to stack pensions. I feel if you set the example, particularly in the Ontario Legislature, then we, as legislators, should set that example outside of this chamber.

I bring this to the attention of the Speaker; I think this is a valid point. We should be following in that direction and, based upon those comments Mr. Speaker, the bill itself does not go far enough in guaranteeing the employees rights to the accumulative pension benefits, but it is a move in the right direction. As I have said, we support it in principle and perhaps it will close some of the inequalities in pension schemes in Ontario. I congratulate the member for putting forth this bill.

Mr. Mackenzie: Mr. Speaker, I rise to support the bill moved by my colleague, the member for Nickel Belt (Mr. Laughren). Surely it is only justice, and fair play, that where an individual has purchased a measure of security upon retirement he is entitled to receive it. It is his money, whether he paid it out personally, or as part of the fringe benefits through negotiations in a collective agreement, or as part of the employee benefits package where no collective agreement exists.

If the member for Mississauga East (Mr. Gregory) were still here he might be asked why, if he is in favour of it, and it's not such a major step, but is important to a lot of people, this bill that now has been brought forward by my colleague four times in this House; why, if it can be answered just by regulations, are we waiting? Why have we waited almost four years, with it coming in each year without some action being taken on it by this government?

The practice of reducing a benefit, or annuities paid, for an employee by the amount received through a government pension is wrong. It is not just, and as far as I am concerned, it borders on the dishonesty. This is particularly true when the benefits paid are not received by the employees but are the property of the fund, the company, or the insurance company. Anyone who has been involved in collective bargaining knows very well how difficult it is to get a true picture of the actual cost of a pension plan to the insurance company or to the management that you are negotiating with.

I think it should be pointed out, in terms of private pension plans too, that less than

40 per cent of the Canadian people in this country are covered by private insurance pensions or private pensions.

In most private plans negotiated, the employee contributes a certain amount and gets a pension at a fixed percentage of income based on actual age and years of service criteria. The employer's cost is the difference, basically, between the total cost of a pension and the employees contributions. Under trustees plans, if there is a certain level of money in the fund, any savings that are made accrue to the fund, and almost invariably go to the companies involved that you have negotiated with.

Under other private plans where the employees are insured with a specific insurance company, the savings for any decrease in payouts through government plans, go to the insurance company. I have never heard of a plan where any savings have gone directly to the employees involved or to the people who bought the insurance.

Most unions involved in pension plan negotiations feel pension calculations should be made once only, when the man or woman retires at age 60 or 65, and their pension should not be reduced by any boost in government pension, nor should they be denied any increase in cost of living, or otherwise, that is incorporated in any government plan, or any arrangements made to deal with the cost of living or other special circumstances. This is an area in which you can be sure there are going to be stepped up efforts in the collective bargaining field in the next two or three years.

The intent of government pension plans, under our private enterprise system, has always been to provide only a floor or one tier in building an income level for people. The present Canada Pension and Old Age Security provides less than 37.5 per cent of the insurable earning level. Private pension plans have been promoted and held up as a shining example of private enterprise and individual thrift in this country, a commendable form of savings if you like.

All too often the result of this free enterprise myth has been to lose the advantages of the benefits of your private plan, to find that private plan cut by the amount of the public plan. I find it hard to accept this as anything less than deception. Having been conned in the first place, in effect the individual is then ripped off. Integration might have some validity—we talk about integration—if the integration was occasionally up; but invariably it's level or down.

It is difficult for me to understand how hon. members of the other two parties can make the case they sometimes do for the insurance industry and at the same time allow the people, as was done, to lose the benefits of that private plan.

Seeing the hon. member for Mississauga East (Mr. Gregory) in the chamber, I'd just point out to him, as I did at the beginning, that my colleague has had this bill on the order paper and debated in this House four times now over the last four years. If it's simply a matter of regulation, why hasn't this government moved on the issue before this?

Mr. Gregory: I just got here.

Mr. Mackenzie: I personally feel, rather strongly, that the soundest and most business-like way and certainly the most progressive way to deal with pensions that are adequate and fair and completely portable in this country of ours, is for a public plan similar to that promoted by the Canadian Labour Congress over the last two or three years.

I feel, however, that even if the arguments were well made and if the plan should be actuarially sound, the philosophy of the other two parties just simply wouldn't let them accept this. A complete public pension plan in this country would have about as much chance as the proverbial snowball in hell.

However, I also think my colleagues in the other two parties should be able to be coaxed into coming to the defence of their own system and to assure that the individual who's put his money into a private plan doesn't stand to lose it. Surely we have an obligation to ensure that all citizens have the right to expect their government to make sure that they retain those benefits that are purchased with their own money.

Leadership by government would see that a bill such as this is enacted to cover all Ontarians and not leave it up to the collective bargaining processes alone. The union people may have some clout there and may achieve what they're after but unfortunately they only cover about a third of the Canadian people or less than that when you think in terms of those unions that may be strong enough to achieve this through collective bargaining.

Lest there be any misunderstanding, I want to make it clear that the intent of this bill is not to prevent bridging in collective agreements. A number of collective agreements now provide for early retirement and while most people probably still retire at

62 or 65 years of age, the trend is to earlier retirement. It's not uncommon, with the present trend to age and years of service combination, for people to be able to retire at 58 years of age with 30 years service in some of the more progressive plans.

The better negotiated pension plans may guarantee, just to take a set of figures, an income of \$570 at age 65. They will provide a basic pension of \$300 and they'll provide a bridge of \$270 from the time that they take the early retirement until they're entitled to receive their CPP or their OAS benefits. At this point, the bridge is dropped and the \$270, or whatever is required to make up the total, is not continued.

It would not be the intent to continue this because this guarantee, and the funding calculations for this bridge, were based only on the period of time it would be needed to cover the employee. On the other hand, the \$300 is the basic pension and any increase to that pension negotiated after the fact—

Mr. Speaker: The hon. member has one minute remaining.

Mr. Mackenzie:—and any amount that may be increased in government plans, should not be deducted. The person should be entitled to the entire amount.

I'm not sure that this bill is everything that is needed. It may well be that full stacking would require a change in the Pension Benefits Act to deny a reduction in private plans because of various government plans. It may be that a change in the Insurance Act is needed which says no annuity can be sold which would provide for a reduction in the annuity because of increases in CPP or OAS. Such a change could provide for the sale of a specific annuity covering just a certain period of time.

Whatever is required in this bill, it is important because the intent is simply to save and protect the hard-earned savings of people and the planning that went into their retirement, and to make sure that they are not conned out of the money they have spent. It is their money and it should be protected. I think such a bill—or if it can be done with a regulation—should be brought in and brought in very quickly in this House.

[5:45]

Mr. Speaker: The hon. member for Dufferin-Simcoe (Mr. McCague) has the floor. We have 14 minutes left. Is it agreed that he will share that remaining time with the hon.

member for Windsor-Walkerville (Mr. B. Newman)?

Mr. McCague: I will be glad to, Mr. Speaker. I rise to support Bill 68 as presented by the hon. member for Nickel Belt (Mr. Laughren). I have received from Mr. Hannaway, as have all members of the Legislature, I presume, a letter supporting his bill, which I have acknowledged and which has been read into the record by the member for Erie (Mr. Haggerty).

At the present time, there are a few pension plans which contain a provision which offsets the benefits under the plan of an amount that might be received under Canada Pension Plan or old age security when there is an increase through the process of indexing. Every time that such public plans are increased, which include the GAINS as well, the private plan is reduced by the same amount. The end effect is that the recipient's income remains constant, but the insurance company backing the private plan pays out less money. The purpose of the bill is to prevent this practice and ensure that any increase in public pension benefits is retained by the recipient instead of in effect passed through the insurance company. I fully agree with that. The practice used to be widespread. Through a negotiation process there aren't many of them left, but I agree that this bill or something of this nature should be passed.

As has already been pointed out to the hon. member for Nickel Belt, this change can be made by a change in regulations. I think it was pointed out to the member for Durham East (Mr. Moffatt) in the estimates back on May 11 that such a change was under very active consideration.

Mr. Speaker, with those few comments and not to add to what has already been said, I again support the principle of the bill submitted by the member for Nickel Belt.

Mr. B. Newman: I rise to support Bill 68, an Act that would provide for better post-retirement pension plans for many who have made a great sacrifice and a great contribution to society in the years gone by. These people whom we now are considering are those who have gone through two world wars, have gone through one really serious depression and two others that may not have been quite as serious and have worked at times when for some of them even 15 cents an hour was the maximum pay. If we can in any way whatsoever alleviate the lot of those who have made that type of a contribution in the past, we in the Legislature certainly have that obligation.

Mr. Haggerty: We want to make up for the 10 lost years.

Mr. B. Newman: Not only has the group from the retirement club or the pensioners' club in the city of Sudbury been in touch with us, but there are other groups likewise that have expressed interest and concern not necessarily only on this bill but on the principle of the bill itself. In fact, back on April 2 of this year, I did make mention of a pensioners' group in my own community that was interested in the principle of this legislation and the idea of stacking pensions, because in the past we have not attempted to take care of those who have helped us so much when it comes to providing for their retirement.

Those who are presently working are a little more fortunate, because schemes have been developed in practically every one of the industries. For example, in the Chrysler plant there is now a 35-and-out scheme. After 35 years of work, the individual has the opportunity of retirement. And it isn't too far in the future where 35 years may be considered a little too long to be working. It may get down to about 30 years of service.

Now, if an individual goes into industry immediately after completing high school, or at the age of majority, 18, you can see that at the age of 48, or if it remains 35 years of service, at the age of 53 they could retire at a maximum pension. We would certainly hope that the pension would be sufficient at that time so that the individual would not have to seek other means of employment—that their pension could be their sole means of support, and it would be sufficient for to live on in dignity and provide a satisfactory standard of living.

The principle in here of not having one's pension reduced by the amount that one receives from another type of pension is a sound principle. I did receive quite a few complaints over the years from people who reached the retirement age, then all of a sudden found that on retirement their pension was reduced by the amount that they were receiving in old age security. Now, they found their mistake 30 or 35 years after they first bought a certain type of insurance plan, and it was just a little too late to come along and do anything about it.

I can recall in my own community a plant called Auto Specialties; retired employees were receiving \$167 a month. After the company folded, their pension was cut to one-third of that, a little over \$52 a month. It was cut simply because the plan was not actuarially sound. So I can see that in pen-

sion schemes that are developed by industry throughout the province, that they have to be fairly well supervised. I think they are today; but they were not in the past. What happened to Auto Specialty workers back in the early 60s should not happen to any other type of worker, be he industrial, agricultural or otherwise.

One of the things concerning pensions today is that they are sort of a deterrent to savings. An individual who saves all his life finds himself, on retirement, not receiving old age security, a supplement, or GAINS—simply because he deprived himself of a lot in the past in order to save. I think there should be some kind of an incentive built into retirement so that an individual who contributes X-amount of dollars, up to a maximum amount, would not be penalized when it comes to qualifying for the supplement or for GAINS. This would be an incentive to encourage them to prepare and plan for their future. Mind you, many of the senior citizens now on old age security didn't have an opportunity to do that saving in the past; there was no Canada pension available to them. As a result, they are living solely on old age security, the guaranteed income supplement and the GAINS programme.

Government penalizes individuals on government pension schemes. Let me read this to you, Mr. Speaker, and you'll see just what they do. "Even When You Win You Really Can't Win," is an article by Marilyn Malott in an *Our Future Magazine*, published in the city of Windsor, whose concern is the disadvantaged and the handicapped. I am not going to read the whole article but just one of the paragraphs:

A young person on disabled person's allowance won \$1,000 in the Wintario lottery and was full of excitement and plans, as all winners are. However, the excitement was to lead to disappointment and the plans were unfulfilled.

The lucky winner was told that his disabled person's allowance was to be suspended and he would have to live on the \$1,000 at the same rate as if he were receiving a disabled person's allowance until the \$1,000 was used up and then he would be eligible for a disabled person's allowance again.

This government, Mr. Speaker, turned around and deprived that individual of a few of the pleasures, or maybe even the luxuries, that that person could have enjoyed. As a result of maybe someone buying him a ticket for

the Wintario lottery, giving it to him or of purchasing it himself, he wins the \$1,000 and then finds his own disability pension reduced by exactly the same amount. How small can a government get, Mr. Speaker? This would probably never happen again in an individual's lifetime and there is the minister.

Mr. Ruston: There is the minister coming in now, blame him.

Mr. B. Newman: You giveth, he taketh away. Isn't that awful, Mr. Speaker?

Mr. Ruston: You read these remarks afterwards.

Hon. Mr. Welch: It sounds like the scriptures. Would you read me the passage?

Mr. B. Newman: I am really surprised that this minister's government would come along and deprive a disabled person of the benefit of winning a prize in his lottery.

Hon. Mr. Welch: I am the giver.

Mr. B. Newman: I surely hope, Mr. Speaker, that that doesn't happen again.

Another thing that I did want to bring to the attention of the House, Mr. Speaker, is the concern of the utility workers. The utility workers have been attempting over many years to get greater consideration insofar as their pensions are concerned. They wanted flexibility in their pensions, because firemen and policemen can retire at the age of 60

but they don't have that retirement privilege. I think we should encourage early retirement by allowing an individual, if he wishes so, to make a greater contribution. Instead of his, say, paying six per cent of his income toward the pension scheme, allow him to pay a percentage point more or even two percentage points more and allow that individual to retire at any age rather than at 65 or 60, providing he purchases that pension through a greater contribution.

There are many more things that one could say concerning this. I support the principle of the bill and seeing that all parties have supported it, I assume, Mr. Speaker, you are going to call second reading of the bill.

Mr. Speaker: This order is now discharged from the order paper.

Hon. Mr. Welch: Mr. Speaker, before moving the adjournment, I might indicate that tomorrow afternoon we will do legislation. In committee of the whole House we will do Bills 60, 9 and 25; and if time remains we then might go into second reading of bills such as 64 and 82.

Tomorrow evening, of course, the House sits and we will do some more budget debate.

Hon. Mr. Welch moved the adjournment of the House.

Motion agreed to.

The House adjourned at 6 p.m.

APPENDIX

(See page 2325)

Answers to questions were tabled as follows:

42. Mr. Angus—Inquiry of the ministry: Will the Minister of Industry and Tourism and the Minister of Labour please table all documentation available to them that justifies the tip differential in the minimum wage for employees serving liquor?

Answer by the Minister of Labour:

Effective March 15, 1976, the minimum wage rate for workers who serve alcoholic beverages directly to customers, guests, members or patrons in premises licensed under the Liquor Licence Act of Ontario, 1975, was set at \$2.50 per hour, compared to the general minimum rate of \$2.65.

The lower minimum rate for persons who serve alcoholic beverages was established in recognition of the tip income received by such workers. In establishing this tip differential we are adhering to the purpose of minimum wage legislation, namely, to ensure a certain minimum earnings for workers who have little bargaining power. There is little doubt that workers who serve alcoholic beverages will earn more than the general minimum rate of \$2.65 per hour when their tips are taken into consideration.

Restricting the tip differential to only those workers who serve alcoholic beverages is to ensure that the lower rate may be paid to only those workers who are reasonably certain to have substantial tip earnings. In the United States, where tip differentials are quite common, and in Quebec, the tip differential is applied to a much wider range of occupational groups. Also the tip differential is a smaller proportion of the minimum wage rate in Ontario than in Quebec or in the United States.

72. Mr. Angus—Inquiry of the ministry: Would the Chairman of Cabinet please provide a list of all individuals, both elected and appointed, who sit on the Policy and Priorities Board; and would the minister also indicate the salaries of those individuals who are responsible to the Policy and Priorities Board only and not representative of other ministries and the number of hours this board has met in the past 12 months and the amount of time of research and preparation work that has gone into this Committee on behalf of the elected representatives and the civil servants?

Answer by the Minister without Portfolio and Chairman of Cabinet:

Only members of executive council may serve on the Policy and Priorities Board of cabinet. The present members of the board are: Hon. W. G. Davis, QC, Chairman, Premier and President of the Council; Hon. R. Welch, QC, Minister of Culture and Recreation; Hon. J. A. C. Auld, Chairman, Management Board of Cabinet; Hon. M. Birch, Provincial Secretary for Social Development; Hon. D. Irvine, Provincial Secretary for Resources Development; Hon. W. D. McKeough, Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs; Hon. J. P. MacBeth, QC, Provincial Secretary for Justice and Solicitor General.

The internal operations and deliberations of cabinet and its supporting committees, including Policy and Priorities Board are confidential. This is in keeping with standard parliamentary practice. For example, in the government of Canada, even the membership of the equivalent Priorities and Planning Committee is treated as confidential.

The staff of cabinet office provide research and support services, both to cabinet and to six permanent committees of cabinet, plus an average of three special purpose committees which are established from time to time to deal with special issues. The staff's responsibilities are not restricted to serving one committee exclusively. Information on the staff salaries and total operations are documented in the estimates and the public accounts.

87. Mr. Breaugh—Inquiry of the ministry: When will the Minister of Intergovernmental Affairs undertake a review of district government in Muskoka as promised in 1971?

Answer by the Treasurer and Minister of Economics and Intergovernmental Affairs:

A review of district government in Muskoka would be considered upon request of the district council and in conjunction with that body. A major revision of the Muskoka legislation was, however, undertaken at district council request in 1974. As a result it is felt that the

urgency for a full-fledged review is slight, until Muskoka's system as it now stands has had several years of operating experience. It is also expected that both the district council and the government will derive steady benefits from the ideas being generated and put into practice in other areas of the province where county restructuring studies and regional government reviews are currently underway. As the district council knows, this government always welcomes their initiative in considering alternatives for local government in Muskoka.

CONTENTS

Monday, May 17, 1976

Urban transportation, questions of Mr. Snow: Mr. Lewis, Mr. Nixon, Mr. Shore	2315
Spadina extension, questions of Mr. Davis: Mr. Lewis, Mr. Singer	2316
Hospital closings, questions of B. Stephenson: Mr. Lewis	2317
Vinyl chloride study, questions of B. Stephenson: Mr. Lewis, Mr. S. Smith	2317
Asbestos-cancer study, questions of B. Stephenson: Mr. Lewis	2318
Oil prices, questions of Mr. Davis: Mr. S. Smith	2318
Government staff salary reductions, questions of Mr. Taylor: Mr. S. Smith, Mr. Lewis	2320
Group home licensing, questions of Mr. Taylor: Mr. S. Smith	2321
Dust problems at Fort Frances paper mill, questions of B. Stephenson: Mr. S. Smith, Mr. Reid	2322
Workmen's Compensation Board back injury claims, questions of B. Stephenson: Mr. Mackenzie	2322
Hydro corridor in Esquesing, questions of Mr. Davis and Mr. Timbrell: Mr. Reed	2323
Shortage of sealing lids, questions of Mr. Handleman: Mr. Swart	2323
Ontario Hydro annual adjustments, questions of Mr. Timbrell: Mr. Reid	2323
Federal report on women's wages, question of B. Stephenson: Mr. S. Smith	2324
Point of order re report on Urban Transportation Development Corp., Mr. Reid'	2324
Report, Ontario Racing Commission, Mr. Handleman	2325
Tabling answers to questions 42, 72 and 87 on order paper, Mr. Welch	2325
Budget debate, continued, Mr. McClellan, Mr. G. I. Miller, Mr. Breaugh	2325
Motion to adjourn debate, Mr. Breithaupt, agreed to	2347
Private members' hour re Post-Retirement Integration of Insurance Moneys and Pension Benefits Prevention Act, Mr. Laughren, Mr. Gregory, Mr. Haggerty, Mr. Mackenzie, Mr. McCague, Mr. B. Newman	2347
Motion to adjourn, Mr. Welch, agreed to	2357
Appendix, answers to questions 42, 72 and 87 on order paper	2358

SPEAKERS IN THIS ISSUE

Breaugh, M. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Campbell, M. (St. George L)
Cassidy, M. (Ottawa Centre NDP)
Davis, Hon. W. G.; Premier (Brampton PC)
Ferrier, W. (Cochrane South NDP)
Foulds, J. F. (Port Arthur NDP)
Gregory, M. E. C. (Mississauga East PC)
Haggerty, R. (Erie L)
Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
Laughren, F. (Nickel Belt NDP)
Lewis, S.; Leader of the Opposition (Scarborough West NDP)
MacDonald, D. C. (York South NDP)
Mackenzie, R. (Hamilton East NDP)
Maeck, L. (Parry Sound PC)
McCague, G. (Dufferin-Simcoe PC)
McClellan, R. (Bellwoods NDP)
Miller, G. I. (Haldimand-Norfolk L)
Newman, B. (Windsor-Walkerville L)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Reed, J. (Halton-Burlington L)
Reid, T. P. (Rainy River L)
Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)
Ruston, R. F. (Essex North L)
Samis, G. (Cornwall NDP)
Shore, M. (London North L)
Singer, V. M. (Wilson Heights L)
Smith, R. S. (Nipissing L)
Smith, S. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
Swart, M. (Welland-Thorold NDP)
Sweeney, J. (Kitchener-Wilmot L)
Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)
Timbrell, Hon. D. R.; Minister of Energy (Don Mills PC)
Warner, D. (Scarborough-Ellesmere NDP)
Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)



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Tuesday, May 18, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159)

LEGISLATURE OF ONTARIO

TUESDAY, MAY 18, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

TRAVEL INDUSTRY COMPENSATION FUND

Hon. Mr. Handleman: Mr. Speaker, I'd like to take this opportunity to correct an impression which may have been left with the public and the travel industry by a story in today's edition of the *Globe and Mail*.

The article reported that the travel industry compensation fund is running out of money and that there may not be enough to repay consumers if another large travel wholesaler should go bankrupt. Mr. Speaker, that statement is absolutely untrue.

The compensation fund is very healthy indeed. I have in my hand a report from National Trust, the trustee of the fund, which indicates that as of May 11, one week ago today, the assets of the fund stood at well over a half-million dollars—\$542,267.80 to be precise.

If we deduct from this amount claims which have been either paid or approved, we are left with a total of \$475,262. If we further deduct the combined outstanding claims of both consumers and agents, totalling \$137,410, more than one-third of a million dollars, or \$337,852, remain.

Operating expenses charged to the fund up until the end of March were just in excess of \$11,000, so that the bottom-line figure after all deductions is still in excess of \$325,000. We are not running out of money. This is not a static figure which continues to diminish as more claims are made against the fund. It is hoped the amount will continue to grow as agents and wholesalers make their required quarterly contributions.

This fund was established under the Travel Industry Act to compensate consumers for the loss of prepaid travel funds. It's in good financial shape and I am confident it will be able to meet any commitments levied against it in the event of further problems in the industry.

Mr. Speaker: Oral questions.

HOSPITAL WORKERS' DISPUTE

Mr. Lewis: Thank you, Mr. Speaker. A question, first, for the Minister of Labour and acting Minister of Health in her dual capacity: Is it not time perhaps for ministerial intervention at the highest level to reinstate the negotiations with the hospital workers which appear to have broken down, in order to avoid our usual eleventh-hour gasp in advance of a strike?

Hon. B. Stephenson: Mr. Speaker, negotiations are continuing with SEIU this week. They will resume again tomorrow. There is certainly a ministry presence at those negotiations, as there was last week at the negotiations with CUPE. The conciliator-mediator was present at that meeting—in fact was responsible for getting the two parties together at that time—and they did have some meaningful discussions. The union decided, however, at that point to break off negotiations again.

At this point we are hopeful that there may be some positive direction in the SEIU negotiations which we hope will have some beneficial effect on the other set.

Mr. Lewis: Whatever the SEIU result, and assuming for a moment that the contract negotiated there, if it is negotiated, might not influence the CUPE local, what is this resistance that ministers in Ontario seem to have to enter the bargaining process themselves when the government, in effect, pays the money and when there would be terribly damaging consequences in the event of a strike which need not be necessary, because presumably it can be sorted out? Can I invite the minister to enter the negotiations?

Hon. B. Stephenson: Yes, Mr. Speaker, the hon. Leader of the Opposition may invite me to do that.

Mr. Lewis: If the minister had such an invitation from one of the parties, would she accept it?

Hon. B. Stephenson: If it was felt to be a reasonable activity which might be productive

of some expectation of success, I most certainly would consider it. Yes.

Mr. Lewis: Good. Okay.

LAKESHORE PSYCHIATRIC UNIT

Mr. Lewis: Another question, if I may, for the acting Minister of Health: Could she indicate the nature of the committee of inquiry that has been appointed for the Lakeshore Hospital?

Hon. B. Stephenson: Mr. Speaker, two of the members have already been defined for us by the Ontario Hospital Association. The two nominees from the Ontario Medical Association have not, as yet, been named for us. The terms of reference have been drawn up and I shall make a statement as soon as the OMA nominees have been appointed.

Mr. Lewis: By way of supplementary, did the minister know when she appointed the commission that Dr. Marcilio, around whom the inquiry focuses, actually wrote a major memo as far back as September, 1973, objecting to the incarceration of children in adult wards of the Lakeshore Psychiatric Hospital, alerting the medical director and setting out specifics in a fashion which could avoid it in the future?

Hon. B. Stephenson: Mr. Speaker, I have not seen that memo but I'm interested to hear that it's there. I'll explore and find if we have a copy of it.

Mr. Lewis: It is most explicit. May I ask her, has she also looked at her recent correspondence—maybe she hasn't had the time to see it all—from Dr. Marcilio setting out some of the things that have occurred in that hospital over the last three or four years, and can she perhaps include those matters in the inquiry terms of reference?

Hon. B. Stephenson: Yes, Mr. Speaker, I have been a part of the development of the terms of reference and I can assure the hon. Leader of the Opposition that, in fact, such items are included in a general way.

MENTAL RETARDATION CENTRES

Mr. Lewis: A question, if I may, Mr. Speaker, of the Minister of Community and Social Services: Is he aware of the unhappy anomaly in the Ottawa area which has terminated a Saturday daycare programme for 14 families, with retarded children and older

persons among them, who use that facility on Saturday as a relief programme sponsored by the Ottawa Association for the Mentally Retarded, and had it cancelled as a result of a technicality enforced by his ministry? Is the minister aware of the truly unhappy situation of these people?

Hon. Mr. Taylor: No, Mr. Speaker, I am not.

Mr. Lewis: May I ask him then to take a look at it? I think there is correspondence addressed to him.

Hon. Mr. Taylor: Certainly.

Mr. Nixon: Would you send them a fundraising letter?

PRIVATE HOSPITAL CLOSING

Mr. Lewis: May I ask the acting Minister of Health, is she aware of the situation at the Rest Haven chronic care facility in Hamilton, which alleges that it must close down, losing 32 employees and 34 chronic care patients, unless financial arrangements with the government are sorted out?

Hon. B. Stephenson: Mr. Speaker, I have not heard that the Rest Haven facility was about to close down. I understood that there were to be discussions with the Ministry of Health regarding the future of that institution.

Mr. Lewis: A supplementary: Since they say, "Therefore, without prejudice, we will be forced to close Rest Haven Private Hospital on 30 days' notice," and the letter is dated May 14, can I ask the minister to look into it urgently?

Hon. B. Stephenson: I will.

TRAVEL INDUSTRY LEGISLATION

Mr. Lewis: I want to ask the Minister of Consumer and Commercial Relations about one matter in respect of his opening statement. What is he going to do now that the travel industry board of trustees has said it will not accept the legislation as he has drafted it and will not accept the regulations as he intended them to be employed? Since the board, I gather, doesn't meet until late summer and this is the height of the travel season, how will we reconcile this problem?

Hon. Mr. Handleman: Mr. Speaker, it is under review in the ministry now. We weren't

aware of this decision until this morning. The board met on Friday and has not yet given me any decision in any way except through the press, and I am not inclined to accept that as a form of communication. I would rather hear from the chairman of the board or the members of the board specifically what they have decided, and we will then take action.

ASBESTOS-CANCER STUDY

Mr. Lewis: All right, I will ask one question of the acting Minister of Health and sit down. Has she read Dr. Ritchie's latest report—he being the pathologist at the University of Toronto—which allegedly indicates that the levels of stomach cancer induced from asbestos are twice those in the normal population? It is quite unequivocal in its recommendation that stomach cancer be a compensable matter on the Workmen's Compensation Board, given a certain definition of exposure, and since families have been waiting for eight months, could the minister possibly get a settlement for us here in the Legislature?

Hon. B. Stephenson: Mr. Speaker, I have not as yet received the report from Dr. Ritchie, but I shall be very pleased to read it.

Mr. Lewis: No further questions.

VINYL CHLORIDE LEVELS

Mr. S. Smith: Mr. Speaker, a question for the Minister of Labour: In view of the plans by B. F. Goodrich to currently double its polyvinyl chloride facility in Niagara Falls, and keeping in mind the discussion we had yesterday concerning the standards for vinyl chloride, can she tell us whether she is satisfied to allow Goodrich to plan an expansion in keeping with the present standards as she mentioned in the House, when, in fact, in the United States the standards are much more stringent and they ought to be much more stringent at any rate here in Ontario? Does it make much sense to just let them double the present capacity to obsolete standards?

An hon. member: Take a guess.

Hon. B. Stephenson: Mr. Speaker, the Ministry of Labour, under the accord, has the responsibility to monitor plans for expansion of plants to ensure that, in fact, the new plants or the expansions will allow those industries to function within the guidelines set by the Ministry of Health.

If I might, at this point, I can expand upon this answer by responding to a question which the leader of the Liberal Party had asked me on May 3 regarding this subject, because he asked for specific information concerning vinyl chloride monomers at the B. F. Goodrich and Dow plants.

The TLV for vinyl chloride in Ontario is 10 parts per million time-weighted average for an eight-hour day with an excursion limit of 25 parts per million with a minute limit. This is the guideline from the Ministry of Health data sheet on vinyl chloride, and is presently under review by the Advisory Committee on Occupational Health and Safety.

[2:15]

The Goodrich plant was inspected by the Ministry of Labour last on Feb. 2 of this year. Previous inspections on Nov. 25, 1975, and in May, 1974, by the Ministry of Health showed readings well below 10 parts per million. Company monitoring for the first five days of May produced the following average readings: 1.2, 2.6, 2.2, 1.8 and 1.7. The employees of this plant do have access to this information as there are a number of display monitors located throughout the premises of the plant. I am also advised that the B. F. Goodrich Co. is working toward a level of one part per million on its premises in Niagara Falls.

With respect to the Dow plant in Sarnia, inspections by the Ministry of Labour took place on June 26 and 27, 1975, Dec. 24, 1975, and March 23, 1976. In addition, the Ministry of Health investigated the company's monitoring system on Nov. 6, 1975. On May 11, 1976, the Ministry of Health undertook tests in two areas of this plant and readings were below detectable levels, that is, below one part per million.

On the same day, the Esso plant, also in Sarnia, was inspected, and on the reactor floor readings showed two parts per million; on the steam strip floor, one part per million; and in the dryer area the levels were not detectable, that is, below one part per million. At the bagging area by the operator's position, the reading was one part per million.

As in the Goodrich plant, the results of the company's monitoring are available to all of the employees in these plants.

Mr. S. Smith: Supplementary: In view of what seems to be a reasonable ability of the industry to stay reasonably low in their readings, if, in fact, this is typical of the inspections and the readings the ministry has and is not just chosen because of its effect, then why will the government not accept one part

per million as its limit not to be exceeded? Why does it insist on having an obsolete standard, and why is it that the union still believes that it is not permitted to inspect the records regarding the monitoring? The union still tells us this very day that it is not being given access to these records. Can the minister possibly answer those questions?

Hon. B. Stephenson: We have been informed and our inspectors tell us that the information is available to the employees within the plant.

Mr. Lewis: Supplementary: Would it be possible for the minister to table in the House the readings on the dates previous to the most recent which she indicated, to let us see the flux in the levels over the last period of time, since that would clearly influence the health of the workers in the long run?

Hon. B. Stephenson: I can find them and table them.

Mr. Gaunt: Supplementary: The minister didn't answer with respect to tightening up the standards from 10 parts per million to one part per million. Is that under consideration or would the minister consider in any way tightening up these standards?

Hon. B. Stephenson: I said yesterday that the Ministry of Health and the Occupational Health Advisory Committee was looking at this standard-setting specifically with a view to tightening the standards.

If I may say, in response to the questions previously on this subject by both the Leader of the Opposition and the leader of the Liberal Party, there was some confusion about that standard yesterday within the House, and I added to that confusion. Perhaps I can clarify the situation for them at this point.

The Occupational Safety and Health Administration of the United States Department of Labour has set a vinyl chloride time-weighted standard in the United States, from April 1, 1975, of one part per million. At the same time, it set a five parts per million ceiling. A delay period was allowed for levels up to 25 parts per million in companies in which employees indicated they did not wish to wear respirators. From April 1, 1976, companies must begin to implement the one and five parts per million levels.

The American Conference of Governmental Industrial Hygienists have been meeting for the past 25 or 30 years. It is well recognized in the western world as an organization devoted to the development of administrative and technical aspects of worker health pro-

tection. Its TLV list was adopted and legislated by OSHA when the latter came into being a few years ago. The TLV committee of the American conference met on April 27 and 28 of this year, reviewed the documentation on which OSHA based its decision, that is, the one part per million recommendation, and decided that additional information was required before accepting the one part per million standard. It still has this matter under consideration.

Perhaps we should look at that United States scene rather more realistically. In a telephone conversation to Washington this morning, OSHA was asked, as the delay period ended on April 1, 1976, what was the actual compliance date for the standard of one part per million in the United States. The answer was that the standard does not have a specific compliance date. Every plant in the United States must institute special engineering studies to find out what steps are necessary to be taken in an effort to meet the standards. OSHA will handle the matter on the basis of the actions which the companies are taking to comply, eventually, with that standard.

OSHA points out that it is waiting for the US Environmental Protection Agency to establish a standard regarding emissions to the environment as obviously these will effect the techniques used by the companies to control in-plant emissions.

OSHA also advised that it has indications that US companies generally are showing highs of 25 to 35 parts per million during peaks, while operating during normal periods at less than 10 parts per million.

Mr. Lewis: What does that mean?

Hon. B. Stephenson: We asked OSHA as well how long it would give the United States companies to comply with the standard of one part per million, and the answer from OSHA directly is five years or more and that some plants would never be able to achieve this standard without the use of respirators.

Mr. R. S. Smith: Mr. Speaker, on a point of order.

Mr. Speaker: Not just for a moment, the hon. minister has the floor.

Hon. B. Stephenson: Tens of thousands of US workers earn their livings in industries using vinyl chlorides and OSHA suggested that the US government did not wish to take arbitrary action which would mean loss of employment—

Mr. R. S. Smith: Point of order, Mr. Speaker.

Mr. Speaker: The hon. minister has not yielded the floor, so the member will have to wait before raising a point of order.

Mr. Foulds: It is a point of order.

Mr. R. S. Smith: I have a point of order, Mr. Speaker. It's obvious that this is a prepared statement which the minister should have given prior to the orders of the day.

Mr. Lewis: It is a prepared apologia, for God's sake! It is utter nonsense.

Mr. Speaker: I assure the hon. members I am keeping track of things. The hon. minister will continue.

Hon. B. Stephenson: Thank you, Mr. Speaker.

The US government does not wish to take arbitrary action which would mean loss of employment for these tens of thousands of workers. While the US has legislated a standard of one part per million which has not, to this date, been accepted by the TLV committee of the American Conference of Governmental Industrial Hygienists, US companies will be given several years to reach this level and are operating at present at levels higher than Ontario plants.

The Ministry of Health is aware of and is studying carefully the international literature on vinyl chloride. We have established a responsible position in protecting the workers in this province and the levels are being reviewed on the basis of worldwide knowledge of medical engineering and toxicology.

I might add, that this morning OSHA admitted that though it has set a standard of one part per million, it really does not know how much exposure is truly hazardous.

We have 1,400 copies of the Ministry of Health's data sheet on vinyl chloride and we will be very happy to distribute these.

Mr. Speaker: Before we continue with the question period, I really think an answer of that length probably should have been given before the orders of the day. I allowed the answer to be given because it seemed to be closely enough related to the question which was on the floor at the time, and it seemed to be appropriate because it did add to the information. I think that would be understandable. We will allow two minutes extra in the question period.

Mr. Kerrio: A supplementary, Mr. Speaker: Would the minister not agree, because we're now talking of a new plant and a rather large expansion to the condition that exists in Niagara Falls, that it would be an urgent

matter to set the criteria before we get into this new plant? I appreciate that in old plants it may be difficult but in this case I would ask if it is not an urgent matter to set the criteria in view of the expansion?

Hon. B. Stephenson: Mr. Speaker, that is, I think, entirely reasonable and it is my information that the company is specifically working toward a level of one part per million in its old plant and in its new plant.

BROWNDALÉ OPERATIONS

Mr. S. Smith: A question to the acting Minister of Health: What penalty will the ministry enforce against Browndale for allowing children to remain in homes designated as overcrowded and unsafe by her own ministry officials, and what is the excuse for the inaction on the part of her ministry in view of a letter written in January by the director of children's mental health services saying, among other things, "When the safety of children is seriously questioned there can be no excuse whatsoever for the interminable delays in handling this situation"?

Hon. B. Stephenson: Mr. Speaker, I cannot at this point answer a question regarding a specific penalty, but I can tell the House that I shall be meeting with Mrs. Brown on Thursday to discuss this entire area.

Mr. S. Smith: Supplementary: I am pleased to hear that the minister is meeting with Mrs. Brown about various matters, but in view of obvious negligence on the part of Browndale, why has the ministry not simply done the report itself and then billed Browndale?

Hon. B. Stephenson: That's an interesting suggestion, Mr. Speaker. I will take it under advisement.

Mr. Eakins: Supplementary, Mr. Speaker: Could the minister tell us how many hours the people in her staff are having to spend to sort of babysit and look after Browndale, when they should be able to look after themselves? It seems to me the people in her ministry are spending an awful lot of time having to keep them within the regulations.

Hon. B. Stephenson: I really don't believe that anyone is babysitting Browndale within the ministry at the moment. The normal activities related to any group or association which provides service on behalf of the ministry are, of course, carried out on a regular basis.

Mr. S. Smith: I am looking forward to the audit from Browndale.

OFF-STREET PARKING

Mr. S. Smith: I would like to ask a question of—since the Premier (Mr. Davis) is absent—the Minister of Transportation and Communications. In view of the statements made regarding the parking facility for Spadina and so on, will the minister accede to the request of the Hamilton city council in a resolution dated April 27, for the payment of a subsidy toward the purchase of land for off-street parking development, where such development is required to improve the flow of traffic by the removal of on-street parking?

Mr. Nixon: I don't see how they could turn that down.

Hon. Mr. Snow: I doubt very much if that will be approved. I don't think we have officially responded to the city of Hamilton resolution as of yet.

Mr. Shore: What about London? Can you approve some for London?

Hon. Mr. Snow: Same for London.

Mr. S. Smith: As a supplementary: Does it seem reasonable to the minister that subsidies should be paid for widening various traffic arteries in order to improve the flow of traffic, which his ministry does, and yet not pay a subsidy for something which in effect widens the road which traffic can flow on, and does so by permitting the removal of on-street parking? Is it not the same principle?

Hon. Mr. Snow: No, I don't think so at all. It is not our policy to pay subsidy for municipalities to develop off-street parking facilities. We, of course, do pay subsidy for improvements to the highway system, the arterial roads and municipal streets. And we would anticipate that if a municipality improved an arterial road, for instance, at a cost both to their own taxpayers and to the provincial Treasury, that they would so designate the parking on that street that it wouldn't hinder the traffic.

Mr. Deans: Supplementary question to the minister: Since the minister indicates he won't consider a subsidy for off-street parking, will he consider recalculating the subsidy for the transit system in order to get people off the streets altogether and onto buses?

Hon. Mr. Rhodes: You are the mayor already.

Mr. Lewis: You would like to be back in T and C.

Hon. Mr. Snow: If the hon. member thinks that recalculating the transit subsidy will get all the cars off the streets in Hamilton, I don't think he is on the right track at all.

I would say, Mr. Speaker, that this morning I met in my office with chairman Mrs. A. H. Jones and representatives of the Hamilton-Wentworth traffic committee, and I believe two staff members from the city of Hamilton, to discuss the particular matter that the hon. member is concerned about; that is, a transit subsidy for the city of Hamilton.

Mr. Deans: What did the minister say?

Hon. Mr. Snow: We put certain information before them, certain calculations we have made following their submission to us. The committee were to take that back and discuss it at their full transportation committee meeting, and I expect that a further meeting will be forthcoming in the near future.

Mr. Deans: Did the minister offer them a subsidy?

URBAN TRANSPORTATION

Mr. S. Smith: This is a final question, again to the Minister of Transportation and Communications. Since he wishes us to get back on the track, it brings up the following question with regard to the Urban Transportation Development Corp.: Could the minister outline for us precisely what the involvement has been of McDonnell Douglas, the much-heralded involvement that his predecessor spoke of? Exactly how many dollars have they put into various schemes related to UTDC? Similarly, whatever became of the negotiations with the Alberta government regarding its possible involvement in this? [2:30]

Hon. Mr. Snow: Mr. Speaker, I don't know whether McDonnell Douglas, in times prior to my involvement with this ministry, made any contribution or not. I do not believe that they did. It was significant; they were considered as a possible component of this development scheme. At the present time, McDonnell Douglas is not involved in any way.

As far as negotiations with the Province of Alberta are concerned, we have been having consultations with the Province of Alberta and

the Province of Quebec, and I don't know whether one would call them negotiations, consultations or frustrations, but we've been having some discussions with the federal government as well.

Mr. Reid: Supplementary: Can the minister indicate—and table it in the House—just where the \$6 million went in the illegitimate son of Krauss-Maffei, on which he was going to report to the House, and will he table any documents and technical papers in relation to that \$6 million that was spent in the last year?

Hon. Mr. Snow: Mr. Speaker, that money was spent by the Urban Transportation Development Corp., or at least a portion of it was spent last year. I'm sure in due course, when I receive the annual report of the corporation, we will certainly be tabling that in the House, and I'm sure we can supply any particular information that the hon. member wants.

POST-SECONDARY EDUCATION FUNDING

Mr. Norton: Mr. Speaker, I have a question I would like to direct to the Minister of Colleges and Universities.

Mr. Ruston: Lean over and ask him! Don't you speak to one another?

Mr. Norton: I wonder if the hon. minister could indicate what effect, if any, he anticipates there will be upon Ontario universities this year as a consequence of the rather major change in cash flow announced by the Hon. Hugh Faulkner in the transfer payments for post-secondary education to the provinces?

Mr. Nixon: That's a setup.

Mr. Peterson: Don't get involved—

Mr. Speaker: Order, please.

Hon. Mr. Parrott: You know, it is rather interesting—I guess I shouldn't make editorial comments, but I will—it is rather interesting that questions of major concern to members of this party don't seem to have the same acceptability in the relevance of this House as they do across the floor of the House, and I don't think that's at all fair.

Mr. Nixon: You just turned around and fed it to the nearest member.

Mr. Reid: Which one is the ventriloquist and which one is the dummy?

Hon. Mr. Parrott: The statement attributed to the minister yesterday, the Hon. Hugh Faulkner, was certainly misleading, and I have a copy of that particular press report here. I'll read a very short bit of it.

The Secretary of State, Hugh Faulkner, told the provincial education ministers when he first forwarded their 1976 monthly payments that went out in April, that the level of payments would be based on—

And it goes on. That's just not so, Mr. Speaker. The telegram that we received was very short. It read:

An instalment in the amount of \$12,-570,000-odd on post-secondary education adjustment payment in advance in respect of 1976-1977 has been deposited in your account at the Bank of Montreal today. Details to follow.

That represents the total information that we received. I'm very concerned, and I know the universities and colleges are very concerned, about what would appear to be a rather abrupt change in the method of flowing cash through on transfer payments. We are, I think, justifiably very concerned on that issue. We received a formal letter yesterday. I would like to inform the member for Kingston and the Islands, we haven't had time yet to assess all of that. I will try to keep him and this House informed of that rather significant change, which affects every college and university in this province, and certainly this government is markedly concerned on that change.

Mr. Conway: No more sabbaticals.

WORKMEN'S COMPENSATION

Mr. Lupusella: I have a question of the Minister of Labour, Mr. Speaker. In view of the tremendous increase in the cost of living, I would like to ask the Minister of Labour whether the government intends to introduce legislation to increase the pensions of injured workers who have been awarded a permanent disability pension by the Workmen's Compensation Board? And if the answer is no, why not?

Hon. B. Stephenson: The answer is neither no nor yes at the moment.

Mr. Lupusella: Supplementary: As the minister is aware, it seems that the Workmen's Compensation Board has \$600 million invested in Hydro bonds. How come this government isn't willing to raise the pensions

of injured workers in this province and insists on continuing to starve them?

Hon. B. Stephenson: The pensions of injured workers were raised as a result of the legislation last July. The Workmen's Compensation Board is examining the effect of this raise of pensions from last year and will be making recommendations to us within the near future.

Mr. Bounsall: Supplementary: Is the minister therefore very clearly saying that a bill to increase the pensions in the month of June is not likely to come forward this June, as it has almost every June as far as any member of this House can remember? Is she deliberately not bringing it forward this June, the time we would expect it?

Hon. B. Stephenson: No, I'm not deliberately doing anything right at the moment. I'm awaiting the report from the Workmen's Compensation Board.

ECONOMIC FORECASTING

Mr. S. Smith: Now that the Premier is in the House, Mr. Speaker, I would like to ask him a question. Since the events of this past weekend show that the only new Tory thought in this country seems to be coming from his federal leader—

Interjections.

Mr. Speaker: Order, please. Let's hear the question.

Mr. Reid: Let sleeping dogs lie, they say.

Mr. Nixon: You even woke up Claire Hoy.

Mr. Speaker: Order, please. We're wasting time.

Mr. S. Smith: —will the Premier accept his federal leader's suggestion and give five-year economic forecasts to this province, which is apparently what governments are supposed to do? What is the date on which his government will issue the next five-year forecast? While we're at it, would the Premier also accept his federal leader's suggestion that governments should have a proper committee system, with power to subpoena and to bring matters before the public, instead of carrying on the secret form of government which presently goes on in Ottawa and in Toronto?

Hon. Mr. Davis: Mr. Speaker, I'll try to deal with those two totally related questions.

I think the first had to do with economic forecasts and the suggestion made by the leader of our national party and the next Prime Minister of Canada—

Mr. Breithaupt: Surely they weren't both there, were they?

Mr. Reid: Five dollars on that—even money.

Hon. Mr. Snow: I'll take that bet.

Mr. Speaker: Order, please.

Mr. Lewis: I would like to put in a word for Ed Broadbent.

Mr. Reid: Mr. Speaker, who is Ed Broadbent?

Hon. Mr. Davis: As I was saying, in my very carefully considered reply to this question of urgent public importance—

Mr. Bullbrook: You joker, you; you're better than you ever were.

Hon. Mr. Davis: I recall what the Leader of the Opposition said; I think he was concerned about the economic direction of the federal government and their total lack of leadership—now, I'm quoting him; I wouldn't be as unkind as to say that—

Mr. S. Smith: I just asked when we could expect your five-year forecast.

Hon. Mr. Davis: As I listened carefully to his very well considered speech I think he said, isn't it too bad that the federal government in economic terms and in leadership, inflation and all the rest of it, didn't show the same degree of leadership and the significant economic accomplishments as the government of the Province of Ontario. I think that's what he said, as a matter of fact.

Mr. Breithaupt: That's what you heard; that's not what was said.

Mr. Reid: Are you going to support your national leader this time around?

Hon. Mr. Davis: Mr. Speaker, I seem to recall him holding up this government as the prime example of how government should be run in this country. I shared that point of view; I totally agreed with him.

Mr. Reid: What did he say about Alberta oil?

Mr. Ruston: What about Lougheed? Did he tell you how much to sell your oil for?

Mr. Speaker: Order, please. Fewer interjections, please.

Hon. Mr. Davis: I think that the material presented to the members of this House from time to time certainly gives the opposition critics ample opportunity to assess the economic situation of the province and the predictions as best we can make them for careful analysis by the House. In that respect I think we have demonstrated great leadership in this area.

Mr. S. Smith: So we are not getting one?

Hon. Mr. Davis: As for saying that we should have five-year projections of expenditures, of course we look at things more than a year at a time. There is no question about that.

Interjections.

Mr. S. Smith: What about the committee system?

Hon. Mr. Davis: As time goes on, we'll share as much of this information as we can with the member for Hamilton West in the hope that he will be able to assimilate it. What was the second question?

Mr. S. Smith: The committee system.

Mr. Reid: Like hospital expenditures.

Hon. Mr. Davis: Mr. Speaker, I really feel the committee system is unrelated to the first question.

Mr. Speaker: I feel it too.

Hon. Mr. Davis: As I understand the committee system here, the committees are empowered—and the Clerk of the Legislature can correct me if I'm wrong—to operate in a way which is and which the members have found to be relatively appropriate. I have found that from personal experience.

Mr. S. Smith: You know it is not true.

Mr. Bullbrook: By way of a supplementary, without invading the personal relationship between the Premier and Mr. Clark, did he feel that the government's deficit was also one of the finest in Canada?

Hon. Mr. Davis: I think really what he said—and I can't quote him accurately—was that in terms of the effort made by the provinces, particularly Ontario in its budget this year, the great progress we have made in the reduction of our deficit is an excellent example for the federal government to follow.

Mr. Reid: What did his wife say?

Hon. Mr. Davis: I would refer the member to the text of his remarks.

Interjections.

Mr. Speaker: Order, please.

URBAN TRANSPORTATION

Hon. Mr. Snow: Yesterday the hon. member for Brant-Oxford-Norfolk (Mr. Nixon) asked me a supplementary question regarding the Urban Transportation Development Corp. He inquired as to what portion of the \$6 million was spent in West Germany on this project with Krauss-Maffei. The answer that I have is that none of this money was spent with Krauss-Maffei, although some money has been spent with other corporations regarding control systems.

He also inquired as to how many engineers were in Germany regarding this project at Krauss-Maffei. The answer is none. There has been none there since July, 1975.

Mr. Speaker: I'll allow one supplementary.

Mr. Nixon: A supplementary: When the minister announced the shutdown of the agreement with Krauss-Maffei, he made much of the fact that the facilities were going to remain available to our experimental engineers. In the event, we are not making any use of that part of the agreement at all. Is that right?

Hon. Mr. Snow: No, I didn't say that at all. Although it's not being used at the present time, as that portion of the testing is completed, we have made extensive use of the Krauss-Maffei test track at no cost.

PRODUCE PRICES

Mr. MacDonald: I have a question of the Minister of Agriculture and Food with regard to Produce Processors Ltd. in Trenton and the related co-op development, which is deemed by the vegetable marketing board as designed to circumvent this year's negotiated price of \$61.25 per ton for the produce. Since the minister's parliamentary assistant informed a meeting in Strathroy last Saturday night, I believe, that one of his ministry officials has declared: "It's all legal but it looks pretty damned immoral," what is the government going to do about it?

Mr. Nixon: Did he say that?

Mr. Moffatt: Control that man.

Hon. W. Newman: It's quite obvious the hon. member didn't know we had a marketing board, but we do have. It's the Fruit and Vegetable Growers Marketing Board. They had negotiated a price of \$61.25.

Mr. Breithaupt: The parliamentary assistant didn't know that.

Mr. MacDonald: I mentioned that.

Hon. W. Newman: That's the marketing board incentive at this point in time. I have also read the article and, as far as I'm concerned, the marketing board has established a price of \$61.25 and that's what the price is.

Mr. Lewis: What is the minister, a reviewing board?

Mr. Reid: Is the minister saying his parliamentary assistant didn't know there is a marketing board?

Mr. MacDonald: By way of a supplementary, the minister has evaded my question again. Since the development of a co-operative in relationship to that plant, in which this government and the federal government put in \$800,000, is deemed by the marketing board that negotiated that price to be circumventing this year's price, what is the minister going to do about its immorality?

Hon. W. Newman: We have a marketing board with duly elected representatives and it's up to them to deal with those matters themselves.

[2:45]

Mr. MacDonald: I have a final supplementary. One of the directors of that marketing board, which is going to deal with this, according to the minister, says, "I think the provincial government would be willing to bend the rules because of its financial involvement to keep the plant going." Is the government going to bend the rules to permit the plant to keep in operation because of the money it has got in it and, at the same time, undercut the \$61.25 negotiated price for this year?

Interjection.

Hon. W. Newman: Mr. Speaker, it's quite obvious the hon. member doesn't understand what I am talking about.

Mr. Foulds: Who does?

Interjections.

Mr. Speaker: Order, order.

Hon. W. Newman: What I'm trying to tell him is that there is a marketing board duly elected to look after these situations. I have made no reference at any time to any provincial or federal money in any particular storage facilities in eastern Ontario or in western Ontario or anywhere else.

Interjections.

Mr. Speaker: Order, please.

Mr. Peterson: Supplementary: Since it is my understanding that the minister has had representations both from the eastern Ontario growers and the western Ontario growers on this particular issue, could he please tell the House what advice he is giving those people and what he is telling them to do in this circumstance?

Hon. W. Newman: Mr. Speaker, I have had representation from all across this province, from all the agricultural—

Mr. Peterson: I am not interested in how you waste your time.

Hon. W. Newman: —let me tell the member —is he talking about a particular company which has just written to me, I think within the last two or three days, pointing out their concerns? I have also had representation from eastern Ontario regarding the situation.

Mr. Peterson: We know that. Answer the question.

Hon. W. Newman: The marketing board is fully aware that if it wants to meet some of the commitments overseas, it has to deal with the price structure. It is up to the board to deal with this, if it wants to deal with it. It has finished its negotiations and has set a price of \$61.25.

Mr. Peterson: Are you going to allow them to do that?

SEATBELT USE

Mr. Spence: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations. Given the statistics released by the Minister of Transportation and Communications a few days ago regarding the reduced deaths and accidents on our highways, in regard to the use of seatbelts, can the minister assure this House that he is prepared to encourage insurance companies to reduce their

rates for auto insurance or at least review the recent increases in light of the statistics released by the Minister of Transportation and Communications?

Hon. Mr. Handleman: Mr. Speaker, unfortunately the hon. member is not a member of the Justice estimates committee. That matter was raised in the estimates and reviewed at great length. Certainly we are prepared to take a look at the justification given by the insurance companies for their current rates. There are other factors than simply the drop in accident rates. Most of the health costs are paid by OHIP.

The collision rates are up and collision costs are up. What we did say was that the reduction in deaths and injuries would have a stabilizing effect on the rates and presumably, sooner or later, there will be a turnaround in rates; but at the moment it hasn't been in effect long enough to have a very material influence on rate reduction.

Mr. Peterson: Why don't you reduce life insurance rates?

Hon. Mr. Davis: Take that up in London.

DISPOSAL OF MINE TAILINGS

Hon. Mr. Kerr: Mr. Speaker, the member for Port Arthur (Mr. Foulds) asked me a question regarding the Madsen Mine townsite and the sewage works at that site and the result of a possible mine closing in June. I haven't all the information that I would like but I thought that as about 10 days had gone by now at least I could give him the information I have.

My information is that the sanitary wastes are collected and discharged into two septic tanks which in turn discharge into the tailings area. The septic tank sludge is pumped out twice a year and the sludge is transported to the tailings area. Generally, the system is not in good repair. As the hon. member knows, it has been operated by the company and, as a result of the mine closing, we are looking at various alternatives—individual septic tanks or a lagoon; or some form of mechanical treatment or modifying and improving the present system in some way.

I think, as the hon. member knows, the problem is that if the mine closes who will operate and maintain the system? We need some type of a legal body, some type of a council or framework up there actually to look after the community. A meeting was held last week with representatives of Madsen, as well

as TEIGA, Housing, Natural Resources and my ministry to explore solutions to the problem and to try to derive some type of legal framework for operating the community.

There have been a couple of suggestions—to turn it into an improvement district or possibly to annex it to Red Lake. These are two of about five different suggestions. There's another meeting this Thursday, but the point I want to make to the hon. member is that if the mine closes and the company no longer operates the system, we first have to have a structure and then we have to improve the system, because, as the hon. member says, the tailings will no longer be available for sludge.

Mr. Foulds: Supplementary: Can the minister assure this House and the people of Madsen that the ministries that he mentioned can have a co-ordinated answer by June 1, which is the deadline that the community is facing?

Hon. Mr. Kerr: We are working towards that goal.

Mr. Foulds: That's what the Minister of Natural Resources prompted you to say.

Hon. Mr. Bernier: We're very much aware of what is going on.

RADIOACTIVITY AT PORT HOPE

Mr. Moffatt: A question for the Minister of the Environment: In view of the fact that Eldorado Nuclear has optioned about 400 acres in the Port Granby area, at the town of Newcastle, what involvement has his ministry had with that particular firm to make sure the disposal of nuclear waste from the Port Hope area will be handled in an appropriate fashion, and hopefully will not even be used in that particular area? Secondly, is the minister aware that the permit for the use of that present site at Port Granby by Eldorado Nuclear expires on June 15?

Hon. Mr. Kerr: Mr. Speaker, there is a committee set up, under the chairmanship of my deputy minister, involving the Atomic Energy Control Board, the company, the Ministry of Health, the federal Department of National Health and Welfare, Mr. Gillespie's ministry, and my ministry. They have already had one meeting. The purpose of this committee is to find a suitable site for the waste from the Port Hope area.

This is going to be a problem because of the type of waste; naturally, no community

will want to be the receiving community for this waste if it's removed from that area. It is highly toxic, as the hon. member knows. There was apparently some consideration by the town of Newcastle on the basis that if the company builds another refinery there, it would consider taking this waste. There is no decision as to a site.

As far as the permit is concerned, it is my understanding that the company is not required to obtain our permission to establish a site.

Mr. Speaker: The question period has expired.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

EDUCATION AMENDMENT ACT

Hon. Mr. Wells: moved first reading of bill intituled, An Act to amend the Education Act, 1974.

Motion agreed to; first reading of the bill.

Hon. Mr. Wells: Mr. Speaker, this bill contains a number of amendments to the Education Act. Many of them are minor amendments and housekeeping changes. However, there is a new subsection requiring boards to charge the gross fee to all pupils on student visas, except participants in certain educational exchange programmes and pupils who were enrolled prior to July 1, 1976.

There are also major sections that provide that moneys raised by local taxation for the payment of salaries and wages of teachers and other employees of a board that were not paid by reason of a strike or lockout, if not excluded from the estimates of the board in the same year, must be placed in a reserve fund and taken into account in the estimates of the following year for the purpose of reducing the board's requirements. The Act will also provide that the municipal tax collector must send out with the tax bill a notice informing all affected taxpayers of the amount by which the board's requirements have been reduced and its effect on their mill rate.

Mr. Speaker: Before the orders of the day, I beg to inform the House that pursuant to standing order 28, the hon. member for Ottawa Centre (Mr. Cassidy) has given me notice that he is dissatisfied with the answer given him on Thursday last by the Minister

of Consumer and Commercial Relations (Mr. Handleman) concerning rent review. This matter will be debated at 10:30 this evening.

Mr. Nixon: That will be great.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch: Mr. Speaker, before the orders of the day I wish to table the answers to questions 21, 29 and 73 standing on the notice paper. (See appendix, page 2412.)

Mr. Speaker: Orders of the day.

Clerk of the House: The second order, committee of the whole House.

RESIDENTIAL PREMISES RENT REVIEW AMENDMENT ACT

House in committee on Bill 60, An Act to amend the Residential Premises Rent Review Act.

Hon. Mr. Welch: Mr. Chairman, for the information of members of the House, it's been generally agreed, for the work in committee today, that we would stack any votes and perhaps have a bell by 5:30.

Mr. Chairman: Is that agreed? That any amendments we might have which might result in a vote will be stacked and called at 5:30?

Agreed.

On section 1:

Mr. Cassidy: On section 1, I wonder if the minister could explain the meaning of this? Specifically does it mean that if the rent has been paid on an annual lease the increase means the renewal of the year's lease or is it only on a monthly basis?

Hon. Mr. Handleman: Mr. Chairman, it was not clear in the original Act as to whether or not the Act did apply to periodic tenancies and there has been some suggestion made that once an annual lease or a two-year lease expires the tenant is no longer protected under the Act. We simply want to make clear that a monthly tenancy is also covered under the Act. It has nothing to do with the security of tenure under the Landlord and Tenant Act.

Mr. Chairman: Could we have a little order please? It's very difficult to hear the speakers.

Will you keep your private conversations down please?

Section 1 agreed to.

On section 2:

Mr. Cassidy: On subsection 2, I want to raise a question and ask the minister whether he's prepared to accept an amendment—I haven't drafted an amendment—because it seems to me there is a serious question involved in the matter of short leases. The minister may recall that when the Minister of Housing (Mr. Rhodes) was responsible for rent review and we had those amendments in January, we recommended during discussions held outside the Legislature that an amendment like this one be put into effect so that any rent increase would have to take hold or be in effect for a full year. That was rejected at that time by the ministry. We welcome the fact that the ministry has now changed its mind with this minister; however, the net effect of this is limited if not non-existent.

[3:00]

As I understand it, what happens is the following: If a landlord is increasing his rent to take effect on June 1 or July 1, that rent increase will have to be in effect for a full year. However, I don't know if there is any retroactivity to apply to rent increases that took effect on May 1 or in previous months? I would like the minister to comment on that, because if it only applies to June and July rent increases, then effectively there are no real results—or very limited results—flowing from this amendment.

Hon. Mr. Handleman: It applies to any rent increase that has taken effect since the Act became effective. Which would mean that if a person had issued a short-term lease on Feb. 1, March 1 or May 1 of this year to expire at the end of July—and presumably the increase has not gone to the rent review process—whatever that increase was, whether it was three per cent, six per cent or eight per cent, it would still have to go before the rent review officer if the landlord contemplates another increase either on the anniversary date of that lease or on Aug. 1 of this year. So it certainly will apply to any rent increase that has taken effect since the Act became effective.

Mr. Chairman: Shall section 2 of the bill carry?

Mr. Cassidy: Mr. Chairman, I would appreciate it if you could move a bit more slowly. I want to get this straight; I want to ask the minister what action he intends to take in

order to inform tenants about this important new right.

The minister is saying that whether a rent increase took effect last Sept. 1 or takes effect this coming July 1, unless the landlord subsequently goes to rent review, that rent increase must last for a full 12 months. Is that correct?

Hon. Mr. Handleman: Going back to the original debate, it was contemplated of course that any rent increase could be appealed by a tenant; and if the tenant did appeal the rent increase, whether it was eight per cent or less, the rent review officer, by his findings, could order it to be held for 12 months. A great deal of publicity was given to that aspect or the Act. Unfortunately, many tenants were quite prepared to accept an eight per cent increase without appeal and, as a result, were left without any protection against the subsequent increase on Aug. 1 of this year if they were given a short-term lease.

I just want to assure the hon. member and all hon. members that the intention of this section is to do what the tenants really had the power to do themselves if they had taken the action, which was to appeal the original rent increase, whether or not it went to rent review. But since they have not taken advantage of that, we are putting in this section to ensure that the onus will be on the landlord to prove the need for any further rent increase.

Mr. Cassidy: Can we also have an assurance from the minister that if a landlord goes before a rent review officer on Aug. 1 for an increase of more than eight per cent, which would require him to go to rent review, and the previous rent increase was less than 12 months previous, that the rent review officer will refuse to consider that application because of the fact that it's premature and therefore illegal?

Hon. Mr. Handleman: Of course, it will not be illegal. A request for an additional rate will not be illegal, but the rent review officers will review the application and say, "In accordance with this section, you have already received a rent increase within the past 12 months, and that is effective until the 12 months is up." We can't stop people from going before the rent review officer and asking for additional rent, and particularly if the lease has expired. They will have to go before the rent review officer to try to justify increased rent. But it is not illegal for them to go before the rent review officer.

Mr. Cassidy: Perhaps I can cite the case of a tenant whose rent was increased in the last 10 or 11 months, or maybe in the last four or five months, and whose landlord then seeks to raise his rent by eight per cent or less on Aug. 1. What steps does the minister propose to publicize this new amendment and to enforce it against landlords who might otherwise be charging illegal rent increases, effective Aug. 1?

Hon. Mr. Handleman: I don't believe we are ready to employ an army of policemen to go around knocking on every door and asking every tenant what their rent is. I think there has to be some onus here on the tenant to report it. We will be giving it publicity as soon as these amendments become effective. We will publicize them in the way that we publicized the original Act, which was quite extensively. However, we have no way of finding out about these cases unless they are brought to our attention.

Mr. Cassidy: Just as a final comment on this particular section, I want to raise a concern. I have said before, and I say it now in the House, that rents which became illegal after the passage of the Act have continued to be charged by a number of landlords in Ottawa, to my knowledge. And it's my understanding that this has taken place in other parts of the province as well. It is also my information that there have been no prosecutions launched by rent review officers, or even aided by rent review officers, despite the promise that that would be done and despite certain requests that have been made for that assistance from tenants.

If that has been the record in the past, then this particular amendment may not be worth the paper it's printed upon. Because if the rent review office neither monitors what's happening out there, nor is prepared to help tenants who try and get their landlord to desist or try and prosecute the landlord for charging an illegal rent, then the tenants are left powerless. That, of course, is unfortunately still too often the problem with the rent review process.

Hon. Mr. Handleman: Mr. Chairman, I don't know whether we are getting a preview of the late, late show, but certainly, if the hon. member has any evidence whatsoever to enable anyone to file a prosecution on an illegal action, he has a responsibility to put that evidence before the proper authorities.

To the best of my knowledge, the hon. member has never once come to either a rent review officer, or to our ministry, to say that apartment XYZ in such-and-such a building is

charging a rent which is in excess of the guidelines, or is illegal because it has not been approved by a rent review officer. If he has that evidence, I would like him to come to us. We will ask him to file the information, go to court, give his evidence, and a prosecution will be raised.

Mr. Cassidy: With great respect, Mr. Chairman, I have some evidence like that—

Hon. Mr. Handleman: Don't talk about it. Give it to us. Do something.

Mr. Cassidy: I have it from tenants who have asked me not to give it, because they feel intimidated by their landlord and they do not wish it to be brought forward. They fear that they will be hurt or evicted, or something else would happen. They have no confidence in the process that the ministry has set up in the province, and that's why they are afraid to come forward—that's the situation.

Hon. Mr. Handleman: That's the same reason people give for not giving evidence when they are hit on the head by a hood on the street. As far as I'm concerned, the system of justice will not work unless people are willing to come forward and give evidence. Allegations of that nature don't do the system any good at all.

Mr. Cassidy: At least there is a competent and good police force in the province that is concerned about assaults on the person. The ministry, though, has specifically refrained from having any kind of effective policing action in the case of tenants who are being charged illegal rents.

Hon. Mr. Handleman: I say again to the hon. member that if he has evidence, and the people who have given him this information are willing to come forward, we will file prosecutions. We cannot win prosecutions unless we have some indication that they are going to be won. There isn't any point in going to court unless you are going to win the case unless, of course, as the hon. member obviously wants, he wants harassment of certain people without any evidence.

Mr. Cassidy: If that's a commitment, Mr. Chairman, then I will do everything in my power in the next week to give the minister information on people who are prepared to swear the information.

Mr. Chairman: Shall section 2 of the bill carry?

Mr. Cassidy: No. That was on section 2, Mr. Chairman?

Mr. Chairman: That's right.

Mr. Cassidy: I have further material later on about section 2. I have raised some concerns which I think are germane to this section and to the bill. The section deals with section 5 of the Act. Perhaps I could preface my comments by reading a couple of amendments that I wish to propose.

Mr. Chairman: Can the Chair have a copy of those amendments?

Mr. Cassidy: Yes, I will just send them up to you, Mr. Chairman. I apologize to the minister for not having these in particularly good order.

Mr. Chairman: Mr. Cassidy moves that section 2 of the Residential Premises Rent Review Amendment Act be amended by adding the following:

Subsection 6 of section 5 is amended by adding the words at the end, "and where a landlord files a cost-revenue statement with the rent review officer, he shall forthwith give to the tenant a copy of said cost-revenue statement."

Mr. Cassidy: Mr. Chairman, to speak to that particular amendment, I have expressed concern, privately with the minister and his staff and publicly as well, about problems that tenants have been having in the operations of the rent review Act, which are making the system appear to them to be biased and making them feel that their rights are not being respected. We're getting these now in the form of comments from tenants who've been through the hearing process and just don't feel that they got a fair deal at all.

The complaints relate to the information they've been getting from the rent review offices. That's probably a matter of staff training, and I hope it's being improved. The complaints also relate to the regulations and practices which the ministry has adopted. The manual of procedure which the rent review officers have been given is not a public document, so the tenants are finding it very difficult to find out what the rules of the game are.

The complaints also relate to the information filed by the landlords, and in fact there are two or three related amendments here which affect that particular question. The Act says, in section 7, which I'd like to read:

(The rent review officer may give directions for the conduct and carrying on of proceedings before him, and in so doing shall adopt the most expeditious method

of determining the questions arising before him that afford to all parties to the proceedings an adequate opportunity of knowing the issues in the proceedings and of presenting material and making representation on their behalf.

Previously, in section 5, subsection 13, it states that where the rent review officer is given notice of a hearing of an application under sub 8 of sub 12, "he shall make available to all parties to the hearing all material filed with him in connection with that application, together with any information which he requests from any party."

The information takes two forms: One is the cost-revenue statement, a four-page document, a form which has been prepared by the rent review offices and which is a summary of the landlord's information; and along with that there are certain appendices which have to be attached, such as the schedule of rents and so on; and then, thirdly, landlords may file with the rent review office supporting data, their books or an annual report or other material like that. In certain cases this may be hundreds of pages of material, and I think it's fair to argue that it would be unrealistic to ask the landlord to give a 50- or a 100-page document to every tenant at the time that an application is going in to raise that tenant's rent by more than eight per cent.

On the other hand, most tenants work. Even where there's a man and wife living in an apartment, in many cases both work, and unless the rent review officers are to adopt evening hours as a matter of course it's awfully difficult for working people to get down to the rent review office to look over the material. That's why this particular amendment says that a copy of the cost-revenue statement—the specific four-page document, which is relatively easy to copy and relatively easy for the tenant to understand—should be given to the tenant at the time that he is told the application for rent review has gone forward and the landlord is filing his statement with the rent review office.

[3:15]

What's happening right now, in many cases, is simply that the tenant gets a notice of hearing; the notice of hearing tells him only that if he doesn't appear he can't appeal and doesn't give him any other guidance about what's happening down at the rent review hearing. So the tenant gets himself down there, but is not well enough informed to look into the files at the rent review office to see what material is there, or perhaps couldn't

get there because of the physical problems of getting away from work. He winds up at the hearing where the landlord and the rent review officer both have a copy of this cost-revenue statement, which is the basic document from which they work. The tenant hasn't got a clue because he can't even follow the information they are discussing because he doesn't have a copy to work from. He certainly hasn't had a chance to look at the material before.

It seems to me that in order to remove the suggestion of bias which is now firmly attached to the rent review process it is desirable that this particular amendment be adopted. Later on, I will also be moving an amendment to permit tenants reasonable access to the other material filed by landlords and the right to photocopy it. By directive from the rent review offices, the right to photocopy has not been given; it has been denied specifically to the tenants.

That has put an enormous hurdle in their way and, frankly, I think it is a denial of natural justice. Certainly it is a violation of section 5(13) of the Act which says the material shall be available; and of section 7(1) of the Act which says all parties to the proceedings should have an adequate opportunity of knowing the issues in the proceedings and of presenting material and making representations on their behalf.

What I am seeking to do with these amendments since—

Mr. Chairman: I would prefer if you would stick to comments on the specific amendment before the committee, rather than dealing with an amendment which has not yet been moved.

Mr. Cassidy: What I am seeking to do with this amendment plus other material which may be presented later is that since informal representations to the ministry have so far been unsuccessful, I think the Legislature—I say this to the Liberal Party in particular—

Mr. Nixon: All right.

Mr. Cassidy: —has the right to speak in order to ensure that tenants are not denied natural justice.

Mr. Shore: They are not denied; I can tell you that.

Mr. Cassidy: It is possible for the question of the application of section 7 of the Act to be tested in the courts but that is expensive and time-consuming. In the meantime many

tenants may suffer through inadequate information and the whole rent review process may suffer because it gets a bad name because tenants feel they have been discriminated against.

I will send a copy of this amendment over to the minister. I hope he looks at it seriously and that he will consider accepting the amendment on behalf of the government.

Hon. Mr. Handleman: Mr. Chairman, first of all, I would ask you to consider carefully whether or not this amendment is in accordance with the principle of this bill. The principle of this bill is quite clear. The principle is designed to take public housing out of the rent review process and the amendment put forward by the hon. member for Ottawa Centre is completely out of order.

I would ask you to rule on the question of whether or not it is in order before I comment on it. I certainly would hope that you would uphold my contention that this amendment is out of order and cannot be debated.

Mr. Cassidy: On a point of order, Mr. Chairman, section 2 of the bill has absolutely no application to public housing at all. The principle of the bill is that a number of amendments were desirable to the Rent Review Act.

Mr. Chairman: In section 2, the explanatory note says, "The amendment ensures that in the case of a periodic tenancy or short-term leases the increases provided for cannot be taken twice in one year unless it is justified before a rent review officer." It seems to me that the amendment would fall within the intent of the Act inasmuch as the increase has to be justified and the amendment calls for making that justification available to the tenant. It seems to me that the amendment would be in order, subject to a challenge by the committee.

Hon. Mr. Handleman: Mr. Chairman, obviously I accept your ruling. I would hope that the members of the Legislature, of this committee, would not accept this amendment. I think there is appearing—very gradually but quite clearly—the obvious intent of the New Democratic Party with regard to this Act.

We hear the claims that the New Democrats are very sincere in hoping that this Act will work. Obviously, the easiest way to make it fail is to undermine it; to make it completely unwieldy; to make it impossible to operate; to impose upon the government a vast bureaucracy in order to make it operate. It has operated well. The hon. member is

becoming quite adept at pulling out individual cases. Out of the thousands he can probably name five, six or even 50 cases in which the process has not worked as smoothly as it might.

I have discussed this Act with literally hundreds of tenants and I want to tell this committee that only one tenant, who happens to be the vice-president of a Metro federation of tenants, has ever objected to the process, and there is no question in my mind what that federation is seeking to do. In one hearing they took seven hours of the rent review officer's time in an attempt absolutely to destroy the process and, if that is allowed to happen, then the process will indeed break down.

We cannot accept that this kind of information, which may very well be confidential, should be published in the *Globe and Mail* the next morning after it is in the hands of tenant activists. I have no objection whatsoever to a tenant coming in and making himself familiar with the contents of the cost-revenue statement. That's what it is there for. But we see no reason whatsoever why a copy of information that may very well be completely confidential should be available. The publishers would have to rely on a handwritten copy. They would have to rely on the accuracy of the tenant's ability to copy it and to understand it.

We're having problems in the process, and there is no question about it. It is not a smooth process. We have people who have received a very fast training course. They have the basic skills in order to handle this, but they simply cannot sit through seven and eight-hour hearings on one unit because a group which is dedicated to the destruction of the process wants to undermine it. The best way to do that is to have the rent review officer throw up his hands in disgust and say, "I cannot deal with this matter," which leaves the rent exactly where it was.

The purpose of the process is to permit cost increases to be passed through. The rent review officers have to have that information in their hands. They are not there to be a referee in a war, and that is the problem. A war is being created by the kinds of approaches that are being made by the member for Ottawa Centre (Mr. Cassidy) all over this province. Not only in this chamber but everywhere in this province he is going out and telling the tenant, using the words that he just used in regard to this amendment, that the process is against him and the government is against him. That's the kind of thing that I deplore.

Mr. Philip: It is you that is against them.

Hon. Mr. Handleman: We certainly don't want to discourage landlords from submitting their information to us. We also recognize that many of the landlords are doing this for the first time and may very well submit information that should not be divulged.

One landlord, in an effort to substantiate his claim, submitted a copy of his income tax form. The rent review officer, being inexperienced, distributed that. There is nothing in this country that is more confidential than an income tax form. I will not permit under my ministry to have that kind of information disseminated. This kind of amendment will make it far too easy to distribute that kind of information. I suggest that the tenant who wants to obtain the information can do so, and there is no need to distribute it widely among everybody who is interested in the problem.

Mr. Good: I think we discussed this point or a point very similar during the amendments when the original bill went through. As far as I am concerned and I think our party is concerned, we feel that is covered in subsection 13 of section 5 of the bill as it now stands, which states:

Where the rent review officer has given notice of a hearing of an application under subsection 8 or 12, he shall make available to all parties to the hearing all materials filed with him in connection with that application together with any information which he requests from any party.

Then the next section goes on to state:

Material to be made available under subsection 13 includes any books, records or other information supporting an application or requested by the rent review officer.

I know we dealt with this matter. I thought we debated it thoroughly.

As far as we are concerned, I think there is ample protection under that subsection so that the tenant does have access to any information that the landlord plans to use, including his financial statement, profit and loss sheet and everything else. If the landlord is going to use that as a defence, it is now available to the tenant. I don't see what additional measures should be taken.

Mr. Renwick: I don't quite know why the minister is so recalcitrant about a proposal such as my colleague has put forward. Let

me set aside for a moment the whole question of rent review administration which will come up in the minister's estimates in committee.

Whatever feelings the minister may have about the way in which the administration is being carried on and what he chooses to call the attacks made at the instigation of my colleague—which, of course, I totally dismiss as having any foundation—whatever those reasons are, the cost-revenue statement is the key to what the hearing is about. The application is not what it is about. It's the cost-revenue statement. The manual, which we haven't seen as yet, is obviously the directive to the rent review officer, subject to his discretion, for the purpose of determining whether or not any proposed increase in the rent is justified or not justified.

If you're going to give any substance to the hearing before the rent review officer, surely the key document upon which the rent review officer is going to make his decision must be available to be examined by the tenants who wish to oppose the application? Otherwise the hearing is a meaningless hearing and you're not providing the substance of what the bill was intended to provide. That was a fair hearing by both sides before the rent review officer and then the rent review officer makes his decision, subject to whatever appeal rights there may be.

The key document which determines whether or not the rent increase is justified or not justified, or the extent to which the rent increase is justified, must be made available to the tenant or the tenant has no way in which to form the kinds of questions that he may wish to submit at the time when the hearing is held.

Everyone knows that the cost-revenue document of a significant multi-accommodation building is both an accounting document and a specialized document having to do with the kind of business operation being carried on. That doesn't put it into a confidential class, and that doesn't put it into the situation where the tenant must be forced, if he wants to have the information out of it, to go to the rent review office and laboriously copy it out by longhand. Surely, in all reason, we're coming back to the very basis upon which every hearing must be held, that it must be fair and it must be done in good faith.

The rent review officer has to fairly listen to both sides, and he can't fairly listen to both sides if the one side does not have available to it the very crucial document when it is required for the purpose of a fair hearing. Otherwise it becomes meaningless and you

will only compound the sense of frustration by various tenants' groups particularly, because after all individual tenants have really no strength or authority to fight a landlord except on a group basis. You will only frustrate those very groups who can afford to retain people to examine a cost-revenue statement for the purpose of making certain that the proper questions are asked and the proper answers are given.

As the chairman said, what we are talking about is the justification of the application by the landlord or by the tenant for a change in the rent. I simply want to say that I cannot understand this, regardless of the minister's feelings. He and my colleague are from the same city and I've often thought I'd either like to have all the members from the Ottawa area to dinner or put them in a cage and see how they get along.

Mr. Breithaupt: Or both.

Mr. Renwick: Or both.

Mr. Breithaupt: Throw them a little raw meat.

Mr. Renwick: Leaving that aside, and leaving the intense feelings that are engendered by my colleague, particularly in the minister himself, leaving all those matters aside, the crucial document has got to be available and readily available. To say to me that, yes, it is available to the tenant if he will go in and laboriously take it down in longhand but it's not available to him because it's furnished by your ministry, simply defeats the whole proposition. There is no question about it whatsoever.

[3:30]

In this day and age it is not difficult to reproduce and to provide the document to the tenants. The minister fixes upon the confidentiality of the information and that it can be available to the rent review officer and to the landlord, but it can't be available to the tenant except if he runs an obstacle course to get it.

The minister can't have it both ways. He either has to say that it's totally confidential, in which case there is no such thing as a fair hearing, or he's got to say that it has to be made available, because one of the amendments—I think it was the member for St. George (Mrs. Campbell) who particularly raised it—says that the rent review officer's obligation is to decide as expeditiously as possible. He can't decide expeditiously if the tenant doesn't have the information on which he can frame the kinds of questions that he wants.

I recall we had the same problem a very short time ago under the Pension Benefits Act. If a person who was a beneficiary of a pension arrangement filed with the Pension Commission of Ontario, he could go and make extracts from it but he couldn't get a copy of it. And there was some difficulty about whether he could get extracts from it. We finally got an amendment through which indicated, yes, the beneficiary of a pension plan could go to the Pension Commission office and get the information about whether or not he was getting his full entitlement under the pension.

I think we have got to recognize that the very institution of rent control takes away a certain element of what would otherwise be confidentiality, but it takes it away in situations where it is well understood that the public interest—here, the public interest is the efficient, expeditious administration of the rent review process as quite a new venture in the Province of Ontario—requires that the confidentiality must give way to the public interest embodied in the Act which we passed and amended last fall and which we are now amending for the second time.

Despite all of the minister's strong feelings, which he has expressed in the House, I think he has got to rethink the position of his ministry on the key position played by the cost-revenue statement, because that is the whole hinge upon which the question of justification must rest. I would ask the minister to consider his position, and I would ask my colleagues to the left in the Liberal Party to reconsider their position, in the light of my colleague's amendment.

Mr. Shore: Mr. Chairman, I rise to speak on this particular amendment for a moment. Personally, I have no axe to grind with the members from the Ottawa area, so I guess I can speak somewhat impartially.

From day one, this has been a difficult Act to administer and to believe in. With the greatest respect, one of the reasons it may be having this difficulty probably accrues to the member from Ottawa, who is making its administration even more difficult.

Mr. Cassidy: Do you mean the minister or me?

Mr. Shore: The member for Ottawa Centre; I'm sorry.

Mr. Cassidy: You have my attention now.

Mr. Shore: In relation to his amendment, if he truly wants it to work, he'll give it a chance to work.

I happen to be somewhat familiar with the workings of rent review up to date—maybe not to the extent that the member for Ottawa Centre is, but I'm sufficiently knowledgeable to know that an effort is being made to try to make it work; and it's difficult. I suggest that it can be made to work within the confines of the current Act; to add something to section 6 is going to serve no purpose whatsoever.

I strongly believe there still is a belief in the stronger effect of the information that is brought forward by the landlords, who incidentally also have to bring forward their papers and in many instances go to great expense in bringing along people to try to understand the pieces of paper that are required. I believe that the information is totally available under the current Act, and to suggest that this subsection be added is going to make this thing more difficult to administer and it's going to serve no purpose whatsoever.

Mr. Renwick: Have you ever seen one of the statements?

Mr. Shore: I sure have.

Mr. Renwick: Did you understand it?

Mr. Shore: It was difficult for me to understand it; but whether or not you get this piece of paper, it's still going to be difficult to understand. I suggest to you that the information is available and can be made available in the confines of the review. I would strongly urge that we defeat or not accept this amendment because all the information is totally available and all we're doing is adding complexities to a problem which already exists to no purpose whatsoever—except maybe to get pieces of paper out to the public, for what purpose I don't know.

They have the opportunity of reviewing these papers under the current section and I think, with the greatest respect, it's totally available to all concerned. Why the member for Ottawa Centre wants to go on adding to the difficulties already there, I don't know. Surely it's there now. Surely it can be made available and that is all we should expect.

Mr. Warner: I am wondering at this point if the minister, when considering this whole matter—because it has been discussed for some time—has discussed it with any of the rent review officers; if he has taken into account their frustrations?

I would like to use, as illustration of the points which have been raised by the member from Riverdale, an actual occurrence at the rent review office in Scarborough. I felt the rent review officer was putting forward

quite an effort to try to determine precisely the situation which existed. He took the information which was given to him and tried to sort it out as best he could. He had sitting in front of him 50 tenants from a building of 77 units and the lawyer who was representing the owner—not the owner, who didn't see fit to come, though he owned only two small buildings.

Mr. Cunningham: He was probably working to make the mortgage payments on them.

Mr. Warner: The tenants did not have the information which the lawyer had. When the lawyer presented figures such as \$4,000 for the replacement of light bulbs and the tenants objected strenuously, the rent review officer noted it and asked a few questions. He went through the whole process and at the end of an hour and a half had accumulated so many unanswered questions that the officer, in good faith, said, "I cannot possibly render a decision without visiting the building personally and inspecting it".

I take it that that is the kind of job which, in many instances, he should not have to do. But he did it because he could not sort out the truth of the whole matter. I take it to be very frustrating for that rent review officer.

I also take it that had the tenants been given the information ahead of time so that they could very accurately and very well describe the situation and present facts—they could not present facts at that point; they had to give impressions simply because they didn't have the information ahead of time—perhaps the rent review officer's offer of inspecting the building would not have had to be made.

I appreciate the inspection by the officer—I think he was doing his job admirably well—but I think that by not accepting the proposal you have in front of you, you are providing more frustrations for that officer. I would appreciate it very much if the minister could comment on whether or not he has entered into conversations with various rent review officers and if so, what their impressions are with respect to the very proposal he has in front of him?

Hon. Mr. Handleman: Mr. Chairman, I would like to respond to that.

Mr. Chairman: If we could sort of facilitate things, it seems that the debate is becoming polarized and the member for Sudbury indicated that he wanted to speak on it. Probably after that the minister could sort of summarize.

Hon. Mr. Handleman: We are in committee, Mr. Chairman, remember.

Mr. Germa: Mr. Chairman, it is quite obvious from listening to the debate thus far that the minister has not had the unfortunate experience of having to attend a rent review hearing, trying to represent certain people who are objecting to a rent increase.

A couple of weeks ago I was in that unfortunate predicament when 30 tenants requested that I try to assist them in holding back a rent increase. The cost-revenue statement, of course, is the key item being argued at the hearing.

I don't know whether the minister has inspected one of these documents. Last year's expenditures in one column are all the way from heating and lights, snow removal, painting, repairs to the chimney. There are this year's expenditures—all the various items again—and then there's next year's projected expenditures. So, you have three major columns of figures adding up to thousands of dollars in some instances.

When the hearing opened, the tenants wanted the facts before them so they could better analyse and digest them. The rent review officer said, "Well, they're available. Come and look at them." So, here are 45 people standing in the line looking at this one document presented by the landlord.

It is no wonder to me that rent review hearings are taking up seven hours at a time. The first two hours of that particular hearing were spent allowing each and every tenant to take a look and copy down this multitude of figures in the three columns presented.

We know that this government brought the legislation in under duress; and they wrote the legislation with as many hooks in it as they possibly could to frustrate the tenant. There was a directive from this ministry which I wanted the rent review officer to make available to me while we waited. I thought that he would hand me a piece of paper, and that would be considered making it available to me. But he said: "Not so; my direction is from the ministry. To make available means that is consigned to my office, and you must come down there and peer at it."

Suppose the same principle applied here. We can reasonably debate what we're talking about here this afternoon because each and every one of us has a copy of the topic before us and we can, presumably with some intelligence, continue a debate. This is precisely what you don't have when you're in front of a rent review officer.

I'm convinced that both of these old line parties are philosophically opposed to rent review and that they are doing everything they can to frustrate the efforts of the tenant in coming to a conclusion when he receives his notice of rent increase.

I'm convinced that you have found that, by withholding the information the tenant cannot adequately deal with the proposal. All that this amendment is doing is saying to the landlord, "At the moment you give the rent review officer the cost-revenue statement, you also hand it to your tenant." I see nothing too difficult about that.

Certainly, if this landlord thinks that the increase that he desires is important enough to occupy the time of a rent review officer, then he should also think it's important enough to make up a few extra copies and hand it to each and every tenant concerned. I can't understand why the third party is backing out. I guess it's their philosophy. It's coming to the fore that they believe in the free market economy, the market of supply and demand, which we know has not been working as far as rental accommodation is concerned.

Mr. Shore: What has that got to do with this thing right here?

Mr. Germa: And you are definitely ruining the rent review legislation. This isn't going to take out all of the hookers that you have built into the legislation. It's just going to remove one of the hookers that you have.

Mr. Shore: The hookers; that's right, the hookers.

Mr. Drea: Mr. Chairman, if this was a question of facilitating the flow of information so that rent review proceedings could be expedited or handled more efficiently, then I certainly would support the amendment. Since it does exactly the opposite, naturally I oppose it.

As a matter of fact, one of the interesting suggestions that has been made is that this type of amendment actually would act as a deterrent to a fair and impartial evaluation of the accuracy and the dimensions of the material costs provided by the landlord. Mr. Chairman, if it was the intention of this government to freeze rents at the July 1975 level, then I suggest to you that would have been done.

Mr. Renwick: No, it is not; it is a review.

Mr. Drea: The rent review process is one that takes into account costs. It takes into account a number of other factors that really

do affect the landlord. I suggest to you that the real purpose of this amendment is to attempt to place a restriction upon the ability of the landlord to submit as much data, and perhaps some of it will be irrelevant.

Mr. Warner: What does he have to hide?

Mr. Drea: He has nothing to hide.

Mr. Warner: Then show us the material.

Mr. Drea: No, no, this is your little game. He has nothing to hide. The tenant or the tenant's representative can go in and can copy it down. There's no attempt to keep these things camouflaged.

Mr. Cassidy: On a point of order, Mr. Chairman.

Mr. Drea: None whatsoever.

Mr. Chairman: Do you have a point of order?

Mr. Cassidy: I'd like to read the specific amendment, because it refers to a four-page document. It adds the words, "and where a landlord files a cost-revenue statement"—that's a four-page document—"with the rent review officer, he shall forthwith give to the tenant a copy of said cost-revenue statement."

The member was suggesting that there might be hundreds of pages involved in the copying and that's not the intent of the amendment, Mr. Chairman.

Mr. Drea: I didn't suggest there'd be hundreds of pages.

Mr. Chairman: The hon. member for Scarborough Centre can continue.

Mr. Drea: I never suggested for a moment there would be hundreds of pages. The whole point is that the landlord, on the basis of that, would be extremely concerned about the type of information that he filed, not because there is something wrong with it, but because it might enter very well into some other proceedings, and as the minister has suggested on more than one occasion, that it might very well wind up in public print or open to almost unrestricted public inspection. The real function of that kind of document is to submit before the rent review officer the justification, if there is any, but at least the proposed justification, for the rental increase that the landlord has asked.

If the information was not available to the tenant, then I would have some very serious concerns about it, but the information is now available.

Mr. Cassidy: Not in a practical way.

Mr. Shore: Yes, very practical.

Mr. Drea: There is nothing more practical than being able to walk into an office, ask for a file, open up the file and begin to copy it out by hand. It's been done for—

Mr. Cassidy: For five minutes' copying by hand?

Mr. Chairman: Order please.

Mr. Drea: It's been done for 2,000 years, my friend. The photocopying machine has only been around for 10 or 15.

Mr. Renwick: Well, we didn't know you had any of them.

Mr. Drea: People have been doing it that way for years.

Mr. Renwick: We knew you had the shredding machine. We didn't think you had the copying machine.

Mr. Chairman: Order.

Mr. Drea: In the particular occupation you're in, you're the last one to talk about modern conveniences being used to their utmost.

Mr. Samis: Look at your occupation.

Mr. Drea: I suggest that all this amendment will do is to complicate, compound and indeed confound the rent review procedures which now, because of the experiences gained by the rent review officers, because of the experiences gained in the submission of data by landlords, and because, quite frankly, of the experience gained by tenants or tenants' groups, are beginning to work most smoothly. I suggest to you all this amendment would do is to set everybody back to January or February of this year. It would serve no useful function. Indeed, it would serve only a disruptive function.

Hon. Mr. Handleman: Mr. Chairman, first of all, I don't know why the member for Riverdale (Mr. Renwick) would suspect that there's any personal animosity between me and his colleague. As a matter of fact, I'm far more fearful of the cannibalistic tendencies he displays when he says he's going to have me for dinner. I get a little worried about that kind of an invitation.

I just wanted to point out to the member for Riverdale that the amendment which he put forward—and I think I recall it, having

been in the chair where you're sitting now, Mr. Chairman, at the time he made that amendment, and my predecessor accepted it; an amendment to the Pension Act—permits a member of a registered pension plan or his agent to inspect and make extracts from the plan at the offices of the commission, and that's exactly the procedure that we're following in this Act. Anyone may go in and make extracts or copy the whole thing. He can even ask the information officer for guidance in interpreting any aspect of it.

The member for Scarborough-Ellesmere (Mr. Warner) is going to destroy, absolutely destroy, the kind of impression that the member for Ottawa Centre (Mr. Cassidy) is trying to create, and that is that the rent review officers, because of their big business background, are dead set on destroying every evidence of tenants' interest. The member for Scarborough-Ellesmere pointed out that the rent review officer in Scarborough felt, after hearing all of the evidence before him, that he would have to inspect the building in order to satisfy himself as to the truth of the application that was made before him. I think that's a perfectly legitimate process and see no reason why it shouldn't be done.

To say these things are all being argued out before a rent review officer, in my view, is a complete misunderstanding of the process. It should not be an aggressive adversary system, of us against them or me against him. But that is the way you are creating it and that's what is happening. You are going around and saying, "The process is against you, you are the downtrodden one."

The function of the rent review officer is to determine the truth—that is his job—to protect both sides in the hearing before him. He is not biased one way or the other. He will examine the cost revenue statement before the hearing. He will ask the questions and he will satisfy himself. He will not permit anybody to pull the wool over his eyes.

The member for Riverdale mentioned the manual. I want to make it quite clear that the manual is to assist the rent review officer in getting to the truth. I just want to give one example of the type of content. There is nothing secret about it. We don't want it to be known, because having it in one's possession would enable anyone to change his statement.

Mr. Warner: It is secret.

Hon. Mr. Handleman: It is not. It has nothing to do whatsoever with the applica-

tion. I can tell you what does happen and I will give you one example. In the manual, the rent review officer is given a schedule of depreciation rates. If a landlord claims a depreciation rate on a heating system, the rent review officer is not an expert in the heating systems nor should he be expected to be. He can go to the manual and determine what is in the range of depreciation rates for a steam heating system, a warm air heating system, a hot water heating system or what have you. I am mentioning one thing out of hundreds of pages.

Mr. Warner: It is not secret when you know all about it.

Mr. Shore: What about hot air?

Hon. Mr. Handleman: That is the kind of thing that a rent review officer has to have. But I don't think the landlord should know what the guidelines are, nor do I think the tenant should know because he is going to start arguing. Those kinds of figures will be there for days and days and days.

They are guidelines for the internal use of the rent review officer. We do not feel they should be published everywhere for everyone to see so that a good accountant, like the member for London North (Mr. Shore), can go in and change the whole thing on behalf of his client. It could be done quite easily—not by the member for London North; I said somebody like him—because you need those kinds of skills and we will be arguing that at 10:30 tonight.

This kind of an amendment will simply add to the burden of administration. We are trying to avoid the kind of criticism that is being made of it by the member for Ottawa Centre.

Mr. Warner: I just wanted to know if the minister was going to respond to my question about having discussed this matter with the rent review officers?

Hon. Mr. Handleman: My meetings have been with the executive director and his staff of the rent review division. We have discussed all of these matters at great length. We have anticipated this kind of thing. We will probably be discussing it again at 10:30 tonight. Yes, I have met with many people in the programme.

Mr. Renwick: I have always been impressed by a rather classic statement of the obligation on anybody who has to conduct a hearing. I refer to the decision in 1911 of Lord Selbourne, speaking for the House of Lords in the unanimous decision in a case called,

“The Board of Education and Rice.” The Board of Education in England is a department of the ministry.

Mr. Shore: What year was that decision?

Mr. Renwick: It was in 1911 and it is still good. This government hasn't learned it yet. It was a nice throwaway line at the end of the whole decision about what the obligation of the Board of Education when required to make a decision was all about. He threw it away and he did it very nicely. He said:

I need hardly say that the Board of Education must act bona fide and fairly listen to both sides, for that is the obligation of anyone who is called upon to decide anything.

I want to say to the minister, if I am correct, the rent review Act calls for an analysis of the increase in the costs of the landlord for the purpose of determining whether an increase is or is not justified. If pursuant to that statutory requirement, there is a cost-revenue manual made available to the rent review officer and a 14-page guide made available to the landlord for the purpose of his compiling the information so that he can file with the rent review officer the cost-revenue statement, if all of that is done, then why is it not possible for the rent review officer to make a photostatic copy or require the landlord to file sufficient copies to make them available to the tenants who are the persons who have given notice that they are going to attend the hearing.

If you don't do that, I can't possibly conceive how it can be said that the rent review officer is listening fairly to both sides. I can't conceive how that kind of financial analysis—I say this to the member for Scarborough Centre—can be conducted unless one has in front of him the whole of the cost-revenue statement. There is no way in which a tenant can copy out the cost-revenue statement except at laborious expense.

As my colleague has said, we are not talking about the financial statements of the landlord. We are talking about a specific kind of cost-revenue statement, of a limited number of pages, on the basis of which the question is going to be decided. I agree with the minister, my colleague agrees with the minister, that we do not want it to become an adversary system.

What is being said is that unless the hearing is not only fair and the information is available to the tenant who is opposing the application in a readily accessible form for his analysis—not the rent review officer's analysis—unless that is done, I find it difficult

to think that the statement made which has determined the course of hearings since 1911, whenever they have gone before the courts, could be held to be a fair hearing. Maybe it bears a certain amount of repetition; I don't intend to repeat what I have said on another occasion but it is absolutely essential that this minister comes to grips with it.

We can deal in committee with the question about the manual itself. We can also deal in committee with the failure of the ministry to provide a guide to tenants equivalent to that which they provide for the landlord in making out his cost-revenue statement. We can deal in committee, presumably peripherally after this debate because I sense it is not going to pass at this point in time, with the question as to whether or not, if you deny the tenant everything except that one sheet of paper and require him to do everything else, you are vitiating the process of fair hearing.

You are creating a situation of frustration which will not be an adversary system. It will simply be one which won't work and that's what my colleague has been saying. He has been very fair in the statement which he has made publicly that in a number of areas it is working but in a number of areas it certainly isn't working. The minister must know that as well as anybody else.

I may also say that if you are going to have any uniformity across the Province of Ontario with respect to the decisions made by the rent review officers, surely the foundations upon which those decisions are made by the rent review officers must be available in a way which can be readily understood. I know of no financial statement that is of any sense to anybody unless the person can take it, sit down and do the analyses and the backup work required either to verify or dispute the information provided by the landlord from his books and from his accounting system.

Mr. Cassidy: I want to make a couple of comments in response to the debate. Having been silent about this question for many months, I made a speech last week and I want to read the first two sentences to the minister because he has accused the NDP and me, as spokesman for the NDP, of seeking to undermine the rent review process.

Last fall there was a honeymoon period in the Legislature which yielded a rent review bill that was potentially strong, progressive and fair. The NDP played a large part in creating that bill and we

hoped it would be administered in the spirit it had been legislated.

If that's undermining the rent review bill, I would like to know what the House would think of the speeches made by the minister and other members of the government who have gone up and down the province, repeating time after time, that they do not believe in rent review. They wished it had not been thrust upon them and they would resign their duties from the ministry if they were forced to continue administering rent review after August, 1977. Just who is undermining the process?

[4:00]

I'm afraid I can't accept the kinds of arguments made either by the minister or by the parliamentary assistant. We're trying to create a process which is fair to tenants and which they perceive as being fair. Right now, because of the problems they are having in getting information, they do not see that justice is being done in the process. It seems to me that the government is responsible for administering laws which are passed by this Legislature. They have just been reminded of that in a very direct way, with the divisional court judgement on the cabinet's decision about the Doctors Hospital and the other hospitals that the intent of the Legislature was being flouted. I would suggest that the intent of section 5, sub 13 and section 7, which stated that the material would be made available and that the parties would have a reasonable opportunity to know the issues in the hearings, is being flouted by the unwillingness to either accept this amendment or to permit photocopies.

Third, I think that the minister should be aware that some rent review officers—and praise be to them—are permitting photocopies to be taken. Is the government now going to crack down on them and say, "Information bulletin I-6 told you that the photocopying of material would not be allowed and the copies will not be allowed," and, therefore, is it going to fire them from their jobs because of the fact that they're trying to give this information to tenants?

Fourth, it was interesting to read the *Globe and Mail* yesterday on openness of government and the very positive response of the 1,300 delegates to the Conservative annual meeting to the report prepared by former Conservative candidate, Darwin Kealey and by Bill Neville who is now the chief aide to Joe Clark, both of whom were urging that government should be open and not shut and

that the Conservative Party suffered by its obsessive and excessive secrecy.

Hon. Mr. Timbrell: There's no more open government in this country, and you know it.

An hon. member: What about all the unions?

Interjections.

Mr. Cassidy: Mr. Chairman, I'm trying to say this in a persuasive and not a polarizing kind of way. I would suggest to the minister that to have these cost-revenue statements in the hands of the tenant would perform a valuable educational process, and that should be part of the aims of rent review. That is certainly the object of any court hearing. It's the object, it seems to me, of the hearing before a rent review officer.

Many tenants, quite frankly, are not aware of the financial problems that the landlords are experiencing, and they find it difficult to understand why, in certain cases, the rent has to go up by eight per cent or 10 per cent or even by a larger sum than that. To have the cost-revenue statement before them so that they can examine it and see where their rent money goes might, in fact, far from increasing friction, help to resolve some of the friction, because the tenants would have a better understanding of the landlord's problem.

As regards the burden of administration, which was raised by a couple of speakers on the government side, to require the landlord to give a copy of the cost-revenue statement to the tenant does not impose any burden of administration on rent review itself. If every one of the applications now before the ministry were proceeded with and there were four or five sheets of photocopying in each case, you're talking of a cost of maybe \$100,000 in all, or less than one per cent of the cost of the overall process. In fact, if photocopying costs a nickel a sheet, you're talking maybe \$50,000 or \$60,000.

The effect of denying tenants information is to polarize tenants and make them frustrated and very unhappy with the way it's going on. Far from complicating and confounding the process, it seems to me that to give this information is a means of ensuring that the tenants can participate in a reasonable and non-confrontationist way in a hearing which should be directed to finding out the facts, and not creating adversaries between landlords and tenants, but the way

that the ministry is proceeding is to create adversaries.

Hon. Mr. Handleman: Mr. Chairman, there has been a great deal of repetition in the debate on this. I simply want to point out once again that in the whole process there is an onus on the landlord; there is no onus on the tenant that he has to satisfy at all. There's an onus on the landlord to satisfy the rent review officer. We make available to the tenant the information which is put before the rent review officer. Despite the polarization which is being created by this kind of debate, we do not anticipate that there is an onus on the tenant—

Mr. Cassidy: That's balderdash, you know.

Hon. Mr. Handleman: There is a polarization being created, and it is being deliberately created. The movements are being created; they are being indoctrinated to go forward, be aggressive, be active, yell, shout, delay the hearings, and the rent review officers are being frustrated in the process.

Mr. McClellan: That's crap.

Hon. Mr. Handleman: But there is no onus on the tenant; the onus is completely on the landlord.

Mr. Cassidy: It is?

Hon. Mr. Handleman: The onus is completely on the landlord; he has to satisfy the rent review officer, who is there protecting the public interest. The assumption made by the member for Riverdale that both sides—the very use of the term “both sides” indicates that he accepts it as an adversary situation. We do not accept that. We say the rent review officer is there to ensure fair treatment to both sides. Now if that copy is given to the tenant, I know exactly what will happen; it will frustrate the process, because he will not understand it. He will then have to go and get counsel, who will then appear and then we will have the adversary system with a vengeance. We don't want it, we don't need it, and we think it is working well the way it is.

Call the question, Mr. Chairman.

Mr. Shore: Question.

Mr. Cassidy: I am tempted to go on. Obviously the minister is not going to change his mind, but I will just read section 7 again:

"The rent review officer shall ensure that all parties to the proceedings have an adequate opportunity of knowing the issues in the proceedings."

Mr. Shore: They have the opportunity now.

Mr. Cassidy: And by refusing this amendment, you are flouting the law.

Mr. Chairman: You have heard Mr. Cassidy's amendment.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it.

Shall we stack it?

Agreed.

Mr. Chairman: Mr. Cassidy indicated that he has yet another amendment.

Mr. Cassidy: This is also in relation to section 2, but in order to ensure that I am firmly in order, the amendment I am about to read relates to the reference to OHC in the bill.

I would move that section 2 of the Residential Premises Rent Review Amendment Act be amended by adding the following subsection:

(7) Section 5 of the bill is amended by adding the following subsection:

9(a) When applications have been received in respect of more than one tenant in a building or project in which rents are geared to income, and the rent review officer wishes to fix a common date for the hearing of all such applications, the rent review officer may in his discretion restrict access to the rent data for each individual unit in order to preserve the confidentiality of a tenant's income, provided that all other material filed in accordance with this Act is disclosed in accordance with this section.

Hon. Mr. Handleman: Mr. Chairman, before you receive this amendment, I want to rise on a point of order. This is completely contrary to the principle of the bill that is before us. We have already debated the question of rent-geared-to-income housing, and it has been taken out by this Legislature. It is not in the bill that is before us; this amendment would put it back in and destroy the principle of the bill, which was established on second reading.

Mr. Cassidy: On the point of order, Mr. Chairman, with great respect, we have not taken the reference to rent-geared-to-income

housing out of the bill right now; it is in section 5 of this particular bill, and we have not got to that particular point in the committee stage. We have indicated we disagree with that part of the principle and we are posing an alternative as a part of our disagreement.

Mr. Sweeney: He is willing to take it out. Why pose an alternative? That doesn't make sense.

Mr. Shore: Mike, you must stay awake at night figuring all this out.

Hon. Mr. Handleman: Mr. Chairman, I would like to receive your ruling. I don't feel there is any point in belabouring this issue any further, but again the bill that is before us is Bill 60, as passed in principle by this Legislature; it includes the elimination of rent-geared-to-income housing from the rent review process. This amendment will put it back in.

Mr. Cassidy: Mr. Chairman, with great respect, the minister is about to introduce an amendment which goes against the principle of the bill as adopted on second reading. The principle, according to his argument, would include the exclusion of limited-dividend, privately owned housing from the bill; now he is going to bring forward an amendment which would bring limited-dividend, privately owned housing back into rent review. If you rule this particular amendment out of order, then I am afraid that we cannot receive the minister's amendment either.

Hon. Mr. Handleman: Regarding the private limited-dividend amendment which we are going to be bringing forward, it was made quite clear prior to the vote on second reading that an amendment of that nature would be brought before us in committee, so that when the vote was taken there was a clear understanding of what we were voting on.

Mr. Cassidy: On a point of order, Mr. Chairman, with great respect. It was a nod and a wink from the minister, but the bill that was passed in principle on second reading did not have any such amendment in it.

Mr. Chairman: Subject to direction from the committee, I'm going to declare that the amendment is in order simply because it doesn't change the principle of the bill in my opinion.

Mr. Breithaupt: Mr. Chairman, I will speak in favour of the ruling. We certainly will not challenge it because it's the best way, in our

opinion, to get the amendment on to the floor so it can be discussed by the committee.

Mr. Good: I didn't read the amendment.

Mr. Chairman: Mr. Cassidy has moved it but the Chair hasn't read it yet. I suggest that Mr. Cassidy distribute copies of it to the spokesmen for the Liberal Party and the minister.

Mr. Cassidy moves that section 2 of the Residential Premises Rent Review Amendment Act be amended by adding the following:

(7) Section 5 of the bill is amended by adding the following subsection:

9(a) When applications have been received in respect of more than one tenant in a building or project in which rents are geared to income and the rent review officer wishes to fix a common date for the hearing of all such applications, the rent review officer may in his discretion restrict access to the rent data for each individual unit in order to preserve the confidentiality of the tenant's income provided that all other material filed in accordance with this Act is disclosed in accordance with this section.

Mr. Shore: All of a sudden, confidentiality comes out. I didn't know you knew what the word meant.

Mr. Cassidy: Mr. Chairman, I'm not sure whether we should debate the question of OHC on this particular section or else when we get to section 5 of the bill. Perhaps I could comment on what is happening with the applications for rent review in relation to rent-geared-to-income units across the province. In a number of cases, the rent review officers who have gone forward have dealt with them on a case by case basis, one tenant after another, because of their fear, legitimate fear, that the disclosure of the rental information on units to other people in the building would thereby enable people to know what the income of their neighbours happens to be.

It is actually the practice in a number of cases with which we are familiar, in the case of privately owned accommodation, that the rental schedules are not being made available in general but are being made available only one unit at a time to each particular tenant, although the other information pertaining to the building is being made available and obviously the gross rents for the entire building are being made available.

If that practice, which effectively keeps secret the rents on all other units from each tenant in a private building, were to be applied universally in the case of OHC units then this particular amendment wouldn't be necessary. We are putting it forward, however, in order to make it clear that we are not opposed to, and in fact would encourage, the group hearings in the case of OHC because that's a more sensible way of proceeding, because that's the way that the costs are assembled and because it is not our intention, in seeking to leave Ontario Housing tenants under rent review, to put a spanner in the works and to make the whole process come to a halt.

There are about 300 or 400 individual OHC projects across the province, and if handled on a group basis, quite clearly they would not impose a really onerous load on the process of rent review.

I'll say this, Mr. Chairman, that we frankly would prefer—as I've said on the second reading debate—that OHC were not under rent review but that there was a renegotiation of the rent scale, that there was tenant participation—

Mr. Chairman: Could I remind the hon. member that I accepted the amendment on the basis that it didn't detract from the principle of the bill, and the intent of this amendment is as stated, "restrict access to the rent data for each individual unit in order to preserve the confidentiality of the tenant's income provided that all other material filed according to this Act is disclosed in accordance with this section."

[4:15]

Mr. Cassidy: Yes.

Mr. Chairman: I didn't allow the amendment with the intent that you could go back and regurgitate the whole bill.

The principle of the amendment, as I see it, is the discretion by the rent review officer to provide access to rent data. It was on that basis that I accepted the amendment as being in order and I'll ask you to keep your comments to that portion of it.

Mr. Cassidy: To conclude, which I was doing, I simply say that while we believe the OHC should be left within rent review until the steps I've outlined on second reading are taken, we also feel that if there is any ambiguity about having group hearings and preserving confidentiality of the tenant's income information, this amendment is intended to deal with that problem.

Hon. Mr. Handleman: I certainly don't intend to belabour this point either because later on we're going to be voting to take rent-geared-to-income out. It seems to me that by putting this amendment into the bill we now have before us we're going to have two contradictions. In one case we're providing the process to hear rent-geared-to-income rent review; in the other section we're going to be taking it out of the process. It's simply completely—

Mr. Cassidy: Change your mind on section 5.

Hon. Mr. Handleman: —anomalous compared to the whole principle of the bill and we will oppose it.

Mr. Renwick: The minister is so provocative. I really didn't want to get involved in this particular amendment.

The minister's proposition is quite ridiculous. What he's saying is we can't touch the so-called section which he calls the principle of the bill—section 5—because that was passed on second reading. Of course we can touch it. We can amend it in any way we want to and we can vote against it. The minister accepts that principle as well.

I'm asking the minister a very simple question. Let us assume for the moment that either your colleagues split from your party and support us or my colleagues on the left, in the Liberal Party, support us when we move to keep the rent-geared-to-income housing within the ambit of rent review. Let's make that assumption. Don't you think that, if that were so, this is a very reasonable amendment and a very proper one—to keep confidential the actual rent paid by a particular tenant, as not being a relevant matter to the matters to be decided by the rent review officer?

Hon. Mr. Handleman: Mr. Chairman, if my proposition is ridiculous, I think the hon. member's assumption is even more ridiculous. We won't deal with it.

Mr. Renwick: Mr. Chairman, assuming, on its merits, and considering that the other bill hasn't passed, we would be quite happy to defer the vote. If you will agree that it is a most meritorious amendment and if the rent-geared-to-income housing is kept within the bill, we could defer the vote on this particular amendment until the end of the debate, to see what happens with the Ontario Housing tenants. I see my friend from St. Catharines is there; it may be by

divine intervention. I'm sorry. Right member; wrong constituency.

Hon. Mr. Handleman: I think the hon. member has made an excellent suggestion. Let's get this amendment out of the way by putting it down at the end and we'll see if it's necessary.

Mr. Chairman: Are you ready to vote on the amendment? All those in favour of Mr. Cassidy's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the "nays" have it.

Shall we stack it?

Agreed.

Mr. Chairman: Before we go any further, I think it's the obligation of the Chair to remind the House that pursuant to standing order 28(d), I beg to inform the House that the hon. member for Durham East (Mr. Moffatt) has filed the required notice that he is dissatisfied with the answer to his question given to him by the Minister of the Environment (Mr. Kerr) earlier today. This matter will be debated at 10:30 this evening.

Hon. Mr. Handleman: On a point of order. There is a prior question to be debated at 10:30. The hon. member for Ottawa Centre (Mr. Cassidy) expressed dissatisfaction with an answer I gave him and I think that should take precedence since his objection was filed first. We don't mind being on the late, late show but we don't want to be on the late, late, late, late, late show.

Mr. Chairman: That notice was given earlier?

Hon. Mr. Handleman: Yes.

Mr. Cassidy: I have another amendment on section 2.

Mr. Chairman: Under section 2? The hon. member for Ottawa Centre.

Mr. Cassidy: Thank you. I move that section 5 of the Act as amended by section 2 of the Act is further amended by adding thereto the following subsection:

(15) The rent review officer, in his discretion or upon application of a tenant, may require a landlord to have all or any part of the cost-revenue statement, or other financial information filed by the landlord, audited by an independent accountant.

Mr. Roy: And who is to pay for that?

Mr. Cassidy: Ultimately, that comes out of the money—

Mr. Bullbrook: They make Sweden look like pikers. The tax rate would be about 95 per cent on every dollar.

Mr. Chairman: Mr. Cassidy moves that section 5 of the Act, as amended by section 2 of this Act, is further amended by adding thereto the following subsection: Fifteen?

Mr. Cassidy: Yes.

Mr. Chairman: We only have five subsections of the amendment before us.

Mr. Cassidy: In the original bill, Mr. Chairman.

Mr. Chairman: Of the bill? Section 15 of the bill?

Mr. Cassidy: Yes.

Mr. Chairman: The subsection reads:

(15) The rent review officer, in his discretion or upon application of a tenant, may require a landlord to have all or any part of the cost-revenue statement, or other financial information filed by the landlord, audited by an independent accountant.

Hon. Mr. Handleman: Mr. Chairman, for clarification, did I hear you say that this is an amendment to section 15 of the bill?

Mr. Cassidy: No.

Mr. Chairman: That is what it reads here.

Hon. Mr. Handleman: There are amendments to section 5, Mr. Chairman, on which I notified you. I would assume that we're dealing with sections in order.

Mr. Renwick: Mr. Chairman, on a point of order.

Mr. Chairman: I think the amendment is out of sequence.

Mr. Renwick: No, my colleague read the amendment properly; I drafted it improperly. My colleague read the amendment that "Section 5 of the Act, as amended by section 2 of the bill, is further amended by adding thereto the following subsection 15."

Mr. Chairman: Subsection 15, to the bill?

Mr. Renwick: No, section 2 of the bill amends section 5 of the Act. Section 5 of the

Act is further amended by adding subsection 15.

Mr. Chairman: Is that understood by the committee, or shall I read it again?

Mr. Bullbrook: I would just like to ask a question. Would the hon. member for Riverdale advise us, if possible, if he's just acting as counsel in this respect, or is he supportive of this ridiculous amendment?

Mr. Renwick: I am both acting as counsel to my friend and supporting him in all his endeavours.

Mr. Ruston: Right down the drain.

Mr. Chairman: Is there any comment? The hon. member for Ottawa Centre.

Mr. Cassidy: Mr. Chairman, in case the minister gets paranoid about these things, I would point out to him that there is some effort on our part of the House to see that the debate on this whole matter is concluded this afternoon. If there is any question of the delay of the overall bill, we have been waiting for about three weeks for this particular committee stage and the government has not shown any particular haste about bringing it forward.

This particular amendment is designed for those circumstances—and they may be rare, but they have occurred—when there have been serious questions raised about information filed by a landlord on his cost-revenue statement or his supporting information. The tenant has no direct way of establishing whether that material is accurate or not.

This permits the tenant to ask the rent review officer to get an audit statement made, or it confirms the right of the rent review officer—which I believe exists right now—to ask for an auditing of material filed by the landlord.

We believe that it's an important protection in cases where landlords are dicing with the law. There have certainly been instances—I don't know of every case before rent review, so I don't know whether they are frequent or whether they are just occasional—where landlords have admitted to falsifying information before rent review, or where landlords have put forward information which the tenants have disputed and which has never been either proven or disproven but which has eventually, for various reasons, been accepted by the rent review officers for the lack of or for the want of anything better.

Perhaps I can give a final example. In the first hearing before the rent review appeal

board the officer there made a rather surprising ruling. He said that since the information filed by the landlord wasn't adequate and since the information filed before the rent review officer hadn't been adequate either, that in the absence of anything better he would have to accept the original decision made by the rent review officer.

In those cases, it is our opinion that the rent review officer, to begin with, should be able to call for an audited statement and that if the tenants can put forward a case that the auditing is necessary, they should be able to put it to the rent review officer who should have the power to accede to their requests.

Hon. Mr. Handleman: Mr. Chairman, I simply want to point out that, as regards the audit being done at the request of the tenants, I have to assume that most tenants would not ask for an audit. There probably would be a few, and assuming that there might be about 7,000 requests received at an average price of roughly \$500, because that is the fee that we set on the Election Expenses Act, we are talking in terms of about \$3.5 million extra to the cost, and I really don't see why we have rent review officers.

Why don't we just farm everything out to auditors? They can tell us how much the cost increases have been. We don't need anybody to make a judgement decision, just ask an auditor to do an audit and say "Cost has increased by 10 per cent. You are now allowed a 10 per cent rent increase." I think, of all the amendments that have been put before us, this is the one that indicates most clearly what the intention of the hon. member is, and that is to make it unworkable.

Mr. Cassidy: Mr. Chairman, I just would point out, in the first place—I'm sorry, do you have a copy of the amendment?

Hon. Mr. Handleman: Yes.

Mr. Cassidy: Okay. It says specifically that the rent review officer, in his discretion—

Hon. Mr. Handleman: Or at the request of a tenant.

Mr. Cassidy: —or upon application of a tenant, may require a landlord etc. It doesn't say that he must. Just to put the figures into perspective as well—

Hon. Mr. Handleman: If he didn't, you would say they were against the tenants.

Mr. Cassidy: It is an open procedure. The rent review officer can easily say, "Look, I

think that the request is frivolous, and I am sorry, I won't grant it," or what he may say is, "You don't really want an audit for all of the material. What you want is an audit of a certain part of the cost-revenue statement. So, Mr. Landlord, if you can come back and prove this particular part of the cost-revenue statement, that is all that is required."

The minister has played the game, which Mr. Rhodes has also played up and down the province, of trying to exaggerate the costs that may be entailed and thereby trying to suggest that these things are not possible. We certainly have indication that in certain cases this is the only route to take. That is why we have proposed this particular amendment. I would say that the numbers suggested by the minister are excessive. I would also put those numbers up against the estimated \$3 billion a year which is paid in Ontario every year in rents.

Mr. Lawlor: Mr. Chairman, I don't find this ridiculous at all. I admit that it would be used very rarely indeed. That's the preservation of the discretion. The small landlord should not and would not be placed—unless he were lying through his teeth and there was good reason to believe that—to the expense of an audit. We all know how much that costs. It is an enormously expensive thing.

There are unquestionably circumstances in which the rent review officer sitting there knows he is being snowed, that he has only what is being presented to him by a partisan party. He may want to get some validation of that position, particularly with very large landlords, and in that particular context he ought to have at least that weapon available to him should he so require, and can call upon it.

That's fairly innocuous actually, simply bolstering the role and position, and in no way undermining but strengthening the position taken by the rent review officer.

Mr. Renwick: Mr. Chairman, I just want to emphasize the point that it was intended in its language when it was drafted to be discretionary both on the initiative of the rent review officer himself and also discretionary in the rent review officer when an application was made by a tenant. It had to be redrafted to cover that point, fine.

[4:30]

As my colleague said, it was not designed to require everything to be audited, but there may be particular schedules or particular information which needs to have an objective look but which the rent review officer can-

not undertake because he hasn't got the facilities available to him. This is simply to say, "I'd like some further verification of this part by somebody who is independent." And who is more independent than members of the minister's profession?

Mr. Good: Before you have the vote, I interpret subsection 13 of section 5 to mean that the rent review officer can ask for any information he wants.

Hon. Mr. Handleman: He can do anything he wants.

Mr. Good: If the rent review officer feels he's being snowed, as was mentioned by the member for Lakeshore, all he has to do is refuse the request and tell the landlord, "Come back with an audited statement and I might reconsider it the next time around." I think the rent review officer does have the power to ask for an audited statement if he feels that's pertinent to the issue.

Mr. Cassidy: Let's make it explicit then.

Mr. Shore: Speaking personally, I know for a fact of at least one occasion when a rent review officer was not satisfied with the information presented, for whatever the reason might be, and sent the representatives of the owner back for further information; and, in fact, that's what happened.

Mr. Renwick: That information wouldn't include a request to have the information audited.

Mr. Breithaupt: It could.

Mr. Shore: It could.

Mr. Renwick: Then let's make it clear.

Hon. Mr. Handleman: It should be made quite clear that the rent review officer has at his disposal any facility or source of information that he deems appropriate. He can ask for an audit on his own discretion if he wants to.

Mr. Renwick: Let's make it clear.

Hon. Mr. Handleman: But I want to make it quite clear that if a rent review officer feels he's being snowed, as the member for Lakeshore suggested, I have made it clear to the administrative officials that under those circumstances the rent review officer, of course, is to deny any request for a rent increase which is put before him by a landlord.

We are having reports made to us from time to time, and the hon. member for Ottawa Centre has said on at least one occa-

sion that the rent review officer knows that he is being lied to by an applicant for a rent increase. We're saying to our people, "If you feel that, and if you feel it strongly enough, you have the option of refusing the request that's been put to you, either completely or to roll back any eight per cent increase that's been brought in on an interim basis."

I think anybody who comes before a rent review officer and tries to snow him is taking his chances, and I can commit myself, my ministry and the government to ensuring that no tenant will suffer under those circumstances.

Mr. Lawlor: I don't want to make this a debate, but the minister referred to the fact that the rent review officer has this option if he feels he's being snowed or on the basis of some kind of instinctual reaction or gut feeling. Surely, in a judicial process, some form of validation of confirming, fixing or certifying, which is easily available to hand, etc., can give some substance to his feeling.

Mr. Shore: Do you trust your mother-in-law?

Mr. Lawlor: He doesn't work on sentiment; he works on the basis of figures and facts. This is precisely what we're seeking to provide him, to give him the power and jurisdiction to require that in the odd circumstances that he has a need for that and so that he's not working in a void.

Mr. Breithaupt: He can do it now.

Mr. Shore: You can't audit projections.

Hon. Mr. Handleman: That's exactly what the manual is for. If he gets a figure and he can check it against the manual, he knows he's being snowed. He doesn't have to have the feeling.

Mr. Renwick: He doesn't know.

Mr. Cassidy: The manual is not accessible to us, of course, so we can't really judge what the minister has to say. I just have to say that the Liberal Party agrees that the rent review officer should have the power to order an audit in certain circumstances. The minister seems to feel that the rent review officer has that power now.

Mr. Breithaupt: He has it now.

Mr. Cassidy: I feel very deceived by this question of photocopying, because when we said materials should be made available, the ministry went ahead and sent out a bulletin

to say, "Don't make it available through photocopying." It seems to me that the Legislature, being agreed at this moment in time that the rent review officers should have the power to order an audit in their discretion, should put that in the legislation in order that we don't get kiboshed through the back door. That's what happened on the photocopying, and that's why I would hope that this amendment is accepted.

Mr. Breithaupt: The point, of course, is not that we are agreed that he should have the power; we are agreed that in fact he does have the power now and therefore the legislation would be superfluous.

Mr. Lawlor: I doubt if he has.

Mr. Chairman: All those in favour of Mr. Cassidy's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the "nays" have it.

Shall this amendment be stacked? Agreed.

On section 3:

Mr. Chairman: Mr. Cassidy moves that section 3 of the Residential Premises Rent Review Amendment Act be amended to read as follows:

Section 7 of the said Act is amended by adding at the end of subsection 1 "and without restricting the generality of the foregoing, shall permit tenants to authorize a tenants' association or group to represent them in hearings before the rent review officer and shall permit tenants to photocopy all material filed by the landlord with the rent review officer."

Hon. Mr. Handleman: Mr. Chairman, again on a point of order, I would like to know under what section of the bill this amendment is being presented.

Mr. Cassidy: This is under section 3 of the bill which amends section 7 of the Act. This is a further amendment to section 7 of the Act.

Mr. Chairman: Before the Chair comments, perhaps we could receive a copy of the amendment.

Mr. Cassidy: I am sorry, Mr. Chairman.

Mr. Reid: Isn't that out of order, Mr. Chairman?

Mr. Chairman: It would seem to the Chair that this amendment would introduce a new principle of class action into the bill. It

would seem to me that it really is out of order.

Mr. Cassidy: Mr. Chairman, perhaps I could refer to a comment made by the previous Chairman, the member for Lake Nipigon (Mr. Stokes) who accepted a comparable amendment to section 2 of the bill on the grounds that it referred to the means by which rent increases were justified before a rent review officer. That's why this one is in order as well, I would suggest, and within the meaning of the principle of the bill.

As a matter of simple accommodation, we did indicate that we want the bill through today. We would like to have this matter debated. Rather than debate the point of order, it seems to me we could debate the amendment over the next five or 10 minutes and then move on.

Mr. Breithaupt: Mr. Chairman, with respect to that, it would appear from my reading, at least of the note with respect to section 3, that the amendment as produced by the minister deals particularly where a landlord is ordered to refund excess rent collected and the tenant may set out an amount owing off against rent from month to month until paid. I fail to see how the amendment proposed by the member for Ottawa Centre relates to that particular matter, but perhaps he could explain to me how such is the case when he is now referring apparently to the matter of a tenants' association.

Mr. Drea: I might shed some light on it. First of all, there's a form now whereby a tenant can fill out a proxy form so that someone can represent him, which preserves the right to appeal which is required by a presence. If you don't want to go as far as a proxy, you have every right in the world to get the tenants' association. You can get a lawyer, you can get an accountant or you can get your MPP.

Mr. Reid: Always your friend.

Mr. Drea: I seriously question that it's out of order, but I don't really think we have to go that far. There's nothing in there except another device to try and get the photocopying here, and that's already being handled under another amendment.

Mr. Shore: Right on!

Mr. Cassidy: I'm interested in the comments of the parliamentary assistant to the Minister of Consumer and Commercial Relations because it has been the practice in the rent review officers not to permit proxies to

tenant associations but only to individuals, and that was the purpose of putting in that particular part.

I would like to suggest that the question of the tenant association coming into this particular amendment is in the Chair's hands. The amendment is under this section but its justification and being in order is with reference to section 2 of the bill we have before us. Perhaps you would consider it in that light and in the light of the fact that the previous chairman accepted an amendment for debate which referred to sending copies to the tenants when the landlord filed a cost-revenue statement. In this particular case it is slightly different. This is a narrower principle permitting the tenants, if they get into the office of the rent review, to make photocopies which they are now barred from doing.

If that other amendment was in order then at least the second half of this amendment is in order and I think probably both halves of it are.

Mr. Chairman: In my view, I will still follow my original ruling that this is really out of order and shouldn't be debated at this time or at this time in committee.

Mr. Cassidy: In that case, with respect to you because I understand your right to make that ruling, simply in order to have a vote on this particular principle I would ask my friends in the Liberal Party if they are prepared to consider this proposal in the amendment. Maybe we could stand the section down and have some quiet discussions and bring it back in? Are you prepared to do that?

Mr. Good: As far as debating the issue is concerned we have no objection to that but I am not prepared to rule on whether it is in order or out of order. That's the chairman's prerogative. If you want to know, on first reading of the amendment we are not prepared to support your amendment.

Mr. Singer: It is the chairman's ruling.

Mr. Chairman: I have ruled it out of order.

Mr. Cassidy: Mr. Chairman, I will not challenge your ruling. It's a device to sort of get a vote but it is clear from what the Liberal Party is saying that they do not believe that tenants should have the right to photocopy material filed by the landlord with the rent review officer—

Mr. Chairman: Order.

Mr. Reid: On a point of order!

Mr. Chairman: Order, please.

Mr. Breithaupt: Point of order.

Mr. Cassidy: That's also the position taken by the government, very clearly, in the information booklet which has been sent around.

Mr. Chairman: Order, please. The Chair has allowed some discussion. The hon. member for Kitchener has a point of order.

Mr. Breithaupt: On a point of order, I certainly want the record of the Legislature to show that the matter which is before the House, in our view, has been solely with respect to the refunding of excess rent and that is what the section refers to. Whether or not any member of this House has a particular point of view concerning the use of photocopying machines is hardly before the House. Therefore with respect to the point of order, I suggest the comments of the member for Ottawa Centre are quite irrelevant and, indeed, seek to tar with a certain brush members of one or another political party in the way he might see a section being interpreted but certainly not the interpretation we place on it.

Mr. Cassidy: Mr. Chairman, perhaps I can ask you to do this. If I reworded this amendment to—

Mr. Shore: It's out of order.

Mr. Chairman: Order, please. The Chair has ruled that particular amendment out of order.

Mr. Cassidy: Yes. I am sorry; I accept that and now I want to move a further amendment.

Mr. Shore: It is even more out of order.

Mr. Chairman: Mr. Cassidy moves that section 3 of the Residential Premises Rent Review Amendment Act be amended to read as follows:

Section 7 of the said Act be amended by adding at the end of subsection 1 "and without restriction to the generality of the foregoing shall permit tenants to photocopy all materials filed by the landlord with the rent review officer."

Mr. Cassidy: I am taking out the first part, Mr. Chairman. In view of the fact that the chairman previously did permit debate under section 2 with relation to sending copies to the tenants and that was deemed

to be in order in relation to the principle of the bill, I would suggest that this shrunken amendment should be in order at this time.

Mr. Chairman: Order, please. It seems to me that section 3 deals with the method of payment. It doesn't deal with whether the particular papers are photocopied or not. I can't see that there is any relevance to this section of the bill; I fail to see it.

[4:45]

Mr. Breithaupt: Mr. Chairman, before you make the ruling, perhaps we could at least hear from the member for Ottawa Centre—at whose expense would he expect this photocopying to be done?

Mr. Shore: No, let's not hear that.

Mr. Cassidy: Mr. Chairman, every tenant that I have talked to has suggested that they would be quite happy to pay the costs of five or 10 cents, whatever it costs per sheet, in order to make these photocopies, if cost is an obstacle.

Mr. Shore: That is not the issue anyway.

Mr. Sweeney: Mr. Chairman.

Mr. Breithaupt: Perhaps the chairman would make his ruling.

Mr. Chairman: I have ruled that in my opinion it is still out of order. Is there any further discussion—does the hon. member for Kitchener-Wilmot wish to comment on the amendment? I have ruled it out of order.

Mr. Sweeney: Yes, Mr. Chairman. I would only point that on three different occasions the former chairman's ruling with respect to section 2 was different from yours, but section 2 is considerably different from section 3. In section 2, the former chairman ruled and accepted the amendment because it referred to a rent increase that was before the rent review officer and the issue was a very different one than that contained in section 3, which, as you have pointed out, refers to the repayment. They are two completely different issues.

Mr. Chairman: Order, please. I would draw to the attention of the hon. member that the chairman's ruling is not debatable.

Mr. Breithaupt: It is being supported, Mr. Chairman.

Mr. Cassidy: Mr. Chairman, on a point of order, perhaps I could just say that if the members of the Liberal Party wish to de-

bate, or even support, this question of photocopying as a device, not to undermine you, but to get this on the table that we would support their challenging your ruling. I would hope it wouldn't come to that.

Mr. Breithaupt: There is no challenge to the ruling, Mr. Chairman.

Mr. Cassidy: There is no challenge. Okay. They don't wish to put it to the vote.

Mr. Chairman: Is there any further discussion on section 3 or 4?

Sections 3 and 4 agreed to.

Hon. Mr. Handleman: Mr. Chairman, I have a number of amendments to section 5. On section 5:

Mr. Chairman: Hon. Mr. Handleman moves that clauses (aa) and (ab) as contained in subsection 1 of section 5 of the bill be deleted and the following substituted therefor:

(aa): situate in a building or project owned or operated by a hospital approved under the Public Hospitals Act as a public hospital, by a religious institution for a charitable use on a non-profit basis or by a non-profit educational institution for the purpose of providing accommodation for its students or staff for educational purposes.

(ab) situate in a building or project owned, operated or administered by or on behalf of the government of Canada or Ontario or a municipality including a regional district or metropolitan municipality or any agency thereof.

Hon. Mr. Handleman: Copies of this have been supplied to the other two parties, Mr. Chairman.

Mr. Renwick: Mr. Chairman, on a point of order, would the minister consider dealing with this particular amendment as two amendments and deal with (aa) in the first instance and then deal with (ab) in the second instance?

Hon. Mr. Handleman: I have no great objections to that. I was going to explain that the amendment in (aa) is simply to include buildings or projects which are owned or operated by a hospital which were not included in the original bill, and that (ab) is to eliminate the private limited dividend which was debated at some length on second reading. We agreed with the concerns expressed by members of the opposition that

there was no effective control on the rents being charged in private limited dividend, so the two amendments are different and I have no objection to dealing with them separately at all.

Mr. Chairman: Is it agreed?

Agreed.

Mr. Chairman: We will deal then with subsection (aa). Is there any discussion on that subsection?

Mr. Cassidy: Just very briefly, Mr. Chairman. As spokesman for the party on rent review, I would have to say that I have had no communications from either hospitals, religious institutions or non-profit educational institutions about why they should be removed from rent review. I would suggest in terms of the integrity of the process and in view of the fact that a number of places, such as the University of Ottawa in my home community, have residential premises which are rented that, in effect, they happen to be landlords functioning like private landlords although they are non-profit institutions. It seems to me the tenants of that accommodation should have the same protection of rent review as anybody else who is in a tenant-landlord relationship.

If there were enormous problems connected with it that are creating enormous difficulties for them, then I would have expected they would have come around and indicated to the opposition parties as well as to the government just what their problem is. But I suggest that the case that they are putting forward is not proven and isn't even joined, and we would find it very difficult to support this particular amendment.

Mr. Good: I have two concerns. The first, the addition of the Public Hospitals Act brings in a new group which was not in there at first. I have a question on that. Is the residential rental accommodation operated by those institutions of a non-profit nature, and to whom is it rented? Is this accommodation rented by student nurses or interns, or what is the history on that?

Secondly, there is concern about the elimination of student housing run on a non-profit basis by educational institutions. We made it very clear on second reading of the bill that we had a concern and that our concern would be eliminated if we had a guarantee from the directors of housing at the various institutions that the students did have a meaningful participation in the setting of the rents. We contacted several institutions and we found that this did take place.

Since then, however, we have had correspondence from other universities stating that up to now there has been no meaningful dialogue between the directors of housing, even though it be non-profit, and the students. The books are available and the statistical information and the statements of profit and loss are available because it is non-profit housing built under Ontario Student Housing Corp.

My colleague, the hon. member for Kitchener-Wilmot will speak to this further and will perhaps make a suggestion to the minister of how we could be given assurance that this would be an agreement, mutually worked out between the housing directors of the university and his staff and the students. If the minister would answer me first about the hospital part of it, the member for Kitchener-Wilmot can deal with the other part.

Hon. Mr. Handleman: Mr. Chairman, when the Act was brought in for first reading it did not contain any reference to hospitals. Subsequent to that I received from the Ontario Hospital Association a very strong request that they be included in the bill. In one of the arguments that was put forward, if I can just read from the letter signed by the executive director, Mr. Alan Hay, he said:

In its global budget the hospital residence is included as an ancillary operation. The Ministry of Health policy on ancillary operations prohibits the operation of a hospital residence at a profit or a loss. As non-profit corporations, hospital boards may not concern themselves about operating the hospital residence at a profit. However, they certainly are concerned if it threatens to show a loss.

The association urges you to consider the fact that hospitals generally provide above-average accommodation for a relatively low cost to tenants who are mostly, but not exclusively, health professionals, and the fact that operating costs would in inflationary times demand rental increases beyond rent control guidelines.

Mr. Warner: I just don't take it that being non-profit is a substantial enough reason to have a group of housing removed from the rent review process. In fact, when we are dealing with universities it is one form of protection for students who are living away from home and have very little in the way of absolute protection, save whatever student union happens to be there on the campus and can speak on their behalf.

I submit that unless the minister can indicate to me that he has had specific requests

from the Minister of Colleges and Universities (Mr. Parrott), or from OCUA, or from COU—and I think that those last two bodies very likely have not been consulted—that I would have say to him that the process is in fact working, and why take it away. It is working.

At McMaster University, an 11.63 per cent increase was requested and approved. Further, a request on another set of buildings for an increase of 13.2 per cent was reduced to 10.6 per cent. At the University of Guelph, 10.9 per cent was requested and received, and the rent review officer indicated he was prepared to go as high as 11.4 per cent. At Laurentian University, the residence requested 8.4 per cent and it was rolled back to eight per cent. At Glendon College, and York University, it is a 13.5 per cent increase that has been requested, and that case is still pending, but the documentation has been presented.

At Queen's the request varied anywhere between seven per cent and nine per cent; in the married students' residence, 13 per cent was requested, and the cases are pending, but I understand that it is expected that approval will be given. At Trent University, a 16 per cent increase was requested and granted. And to show you that the whole thing is working in some good faith; during that hearing at Trent University, complete accounting statements were submitted, and in addition, although they weren't required to do so, Trent submitted the food costs. At Waterloo, all of the increases were within the guideline, so there was no need for the review. It wasn't requested.

Mr. Good: They worked it out with the students.

Mr. Warner: At Lakehead no residence rent increase was announced. The point of it is that bearing all the way from zero increase to 16 per cent increase, the situation is being dealt with very nicely, and it provides a form of protection for the students.

I see absolutely no reason to remove that protection at this time, and I think you would be doing a disservice to those students. I would ask the minister, very pointedly, if he has received any submissions from those general bodies which are acknowledged to represent the university community, that is, OCUA, COU, OCUFA, or OFS. And if so, what was the content of those submissions to him with respect to having the university residences removed?

Quite frankly, I just don't see that it is a useful exercise, and I wish the minister to reconsider the position.

Hon. Mr. Handleman: If I may I would like to respond to the member for Scarborough-Ellesmere before there is any further debate, because perhaps we can avoid repetitious debate on this. I suppose the reason why I feel just as the member for Scarborough-Ellesmere feels, that there is a need for this exemption, is simply because it is cluttering up the rent review process. There is one way of making it not work, and that is to continue to have unnecessary applications sent to the rent review officer.

There hasn't been a single one that has not been found to be justified, because we are dealing here with public institutions that are not in the business of levying exorbitant rent increases.

Mr. Bounsall: You made your exemption.

Mr. Cassidy: They have been changed by the officers.

Hon. Mr. Handleman: However, in response to a specific question, York University wrote to me on March 25, 1976, with a copy to Mr. J. B. Macdonald, executive director of the Council of Ontario Universities, specifically requesting to be exempted. Mr. Macdonald has not responded to that in any way, he has not objected. We have a request from the Sheridan College of Applied Arts and Technology, a copy being sent to the Council of Regents—no objection received from them. We have a letter from the vice-president of business affairs, University of Toronto, with a copy to Colleges and Universities—response from Colleges and Universities saying “the student residence situation with which you justly take issue is one of those problems that was imposed on the legislation at the time of the original debate.” That letter was addressed to Mr. Parrott and was sent on to me with his comments.

A letter from Wilfrid Laurier University in which I acknowledged their concern and agreed that when we were amending the Act, we would make provisions for university residences to be exempted on the basis of their very strong submission. I have a letter from the University of Guelph in which they point out that they were then involved in the preparation of 4,200 individual applications, which we told them to sit on for a while, because we didn't think they would be necessary.

I have not brought with me letters from Queen's, Carleton, Ottawa U, and a variety of other universities; all ask for this exemption.

Mr. Warner: I wasn't asking for administrative letters. What I asked was whether or

not you had received requests from bodies such as COU, or the government's advisory body, OCUA, because those are official bodies which are making representations on a regular basis to the ministry respecting matters which concern the Ministry of Colleges and Universities. OCUFA is the organization which represents faculty throughout the province or at best, representing students, and I asked specifically if you had received anything from them requesting that students be taken out of this legislation. You didn't answer that, and I suspect, because there has not been a formal request from any of those four groups I named to have the residences removed.

As far as the cluttering-up is concerned, as you described it, unlike the private buildings where the owners have played funny games with rental costs throughout the building so that one-bedroom apartments throughout the building often don't have the same fee attached to them, the universities have very well-defined costs for particular types of residences which exist on the campus. In fact, it would be rare to find more than six identifiable types of accommodation within those residence units. In most cases, you're talking about three or four, and once the level has been established for those three or four, it will be a very simple matter to process all of those applications.

The process in no way needs to be cluttered up unless someone wants to do it. In fact, it is very much simpler to deal with than a huge highrise complex in any of the major cities. There is not really an argument, and I would ask the minister again if he could give me the statements, arguments or letters from those four official bodies that I named, and in particular, the advisory council to the Ministry of Colleges and Universities; or has he received any requests from the Minister of Colleges and Universities?

Hon. Mr. Handleman: I just read it to you.

Mr. Warner: No, no, I'm not talking about administrative letters.

Hon. Mr. Handleman: I talked to the Minister of Colleges and Universities.

Mr. Warner: Okay.

Mr. Cassidy: Did you write to yourself as well? Did you write to yourself to say do it?

Mr. Chairman: Order, please.

Mr. Warner: All right. How about OCUA then?

Hon. Mr. Handleman: No, Mr. Chairman, in my response to the hon. member, I mentioned specifically that a university had written to Mr. Parrott and that Mr. Parrott had sent that letter on to me with a request that their request be accommodated. I'm doing it. I have received from most of the institutions—their organizations are aware of these requests and have filed no objections. I have to assume they go along with their members in this request.

Mr. Warner: Oh, that's a good assumption. All right. Now we get started. Let's go on with the other ones. OCUA: What kind of suggestion did you formally receive from OCUA, the government's advisory body?

Hon. Mr. Handleman: None, Mr. Chairman.

Mr. Warner: All right. What happened with COU?

Hon. Mr. Handleman: They received a copy of the request and have not responded to it.

Mr. Warner: And from the Ontario Federation of Students?

Hon. Mr. Handleman: None, Mr. Chairman.

Mr. Warner: And from OCUFA?

Hon. Mr. Handleman: Absolutely none from OCUFA.

Mr. Warner: Okay. So you have not had formal representation from those bodies most directly affected to have the students removed from—

Hon. Mr. Handleman: The bodies most directly affected are the universities, Mr. Chairman.

Mr. Chairman: Order, please.

Hon. Mr. Handleman: The landlords are the bodies most directly affected; not OCUFA, not—

Mr. Bounsall: No.

Hon. Mr. Handleman: Absolutely. Not the students?

Mr. Cassidy: That was a slip. It is the tenants who are affected. How one-sided can you get? Who pays?

Mr. Warner: It is the students who are paying for it.

Mr. Chairman: Order, please.

Mr. Sweeney: Since I last spoke to this particular section as part of the principle of the bill I have been in contact with a number of student bodies as well as some of the university administrations. I wish to move an amendment to section 5(1)(aa) of the bill but before I do so I would like to point out that it is the intent of the amendment I am more concerned about than the wording. By that I mean that if the minister or his staff would agree with the intent of my amendment and find a more preferable way to word it that, obviously, would be acceptable.

As a result of the additional information brought to my attention two points in particular are expressed as the concern of the student tenants. The first one is that as a result of the existence of the rent review legislation, they believe they have had more access to the books, if you will, than they had had previously. That is the one point.

The second point is they have some reason to believe, although no documented evidence, that in some situations costs which cannot be attributed directly to the residence itself but may be costs for other operations of the university are being lumped in with the cost of the residence. I would repeat this is not documented; it is simply a feeling, a perception, of some of the students and I think we should at least have to speak to it.

The third point brought to my attention is that of the 15 Ontario universities, seven of them have asked for increases which are beyond the eight per cent. As has been pointed out previously, in some cases they have been given the raise asked for and in some cases it has been rolled back. The point remains that the request was in excess of the guidelines. With all of those points in mind, I would like to move the following amendment.

Mr. Chairman: Mr. Sweeney moves that section 5 of the bill be amended by adding after section 1(aa) as follows:

Provided that such a non-profit educational institution is hereby bound to prove justification to a representative group of student tenants before instituting a rent increase.

On a point of clarification for the Chair: I assume the hon. member for Kitchener-Wilmot's amendment is to the bill as it now reads and is not an amendment to the amendment by the minister?

Mr. Sweeney: I understand that our caucus has agreed or will agree to the minister's amendment so I would presume that my amendment is now an amendment to his amendment.

Mr. Chairman: This would be an amendment to the amendment; so we would deal first with the amendment to the amendment.

Mr. Bounsall: I would much prefer that the amendment placed by the minister in that section dealing with the non-profit educational institutions be defeated.

From the minister's explanation of why he added hospitals, that made quite reasonable sense, and the amendment to the amendment that has just been made, saying that it referred to a group of students, does not catch nearly all of the tenants of universities in the Province of Ontario.

The University of Windsor has some 200 plus single-family dwellings which they purchased in advance of future expansion. They do not rent to all students. They do not rent to all faculty members. They rent some to the members of the community and some of those persons who are still in them.

Mr. Good: Read the amendment.

Mr. Sweeney: On a point of order, the amendment doesn't refer to that at all. The existing amendment very clearly says: "Non-profit educational institutions for the purpose of providing accommodation for its students or staff for educational purposes."

Hon. Mr. Handleman: And staff.

Mr. Bounsall: Thank you for the clarification. Are you including a representative group of staff in your amendment? Because there are many of those single-family dwellings which have staff within them, not students. They should be included in your amendment to catch all of the conditions.

I will rest my remarks at that point and speak further on the minister's amendment—

Mr. Nixon: Good idea.

Mr. Bounsall: —when we see what happens to this particular sub-amendment. Just let me comment, however, before I take my seat, that it's very clear what the minister's attitude is with respect to this when he appears to take the words of the administrative side only of the university, with respect to rent control, as to who he believes represents and should be concerned with in the universities. The students and staff form a much bigger part

of the universities than does any administration of those universities, and they are the ones who are involved with paying the rents.

The minister's remarks made it very clear that he was concerned only with receiving letters from the administrations of the universities and had not had letters from any student groups or any staff groups, both of which are affected by the actual rents in accommodations at the universities in Ontario.

Mr. Cassidy: Having been accused by the third party from time to time of adopting convoluted kinds of legislative tactics, I have to say that this puts anything I've ever done to shame.

Mr. Shore: No, you're still one up. You're the champ.

Mr. Cassidy: Right now, educational institutions are subject to rent review for the student tenants and the staff tenants and that's the same process to which everybody else in the province is subject. What is being proposed here is that the educational institutions should be bound to prove justification to a representative group of student tenants and that's expressly what happens under rent review. I don't see why this should be a special of technique put forward for student tenants and educational institutions, which is different from that which is applied for the rest of the province.

I would point out as well that the third party did not choose to use the procedural device open to it in order to ensure that the right of students to grant proxy to student associations, or the right of tenants to grant proxy to tenant associations, would be laid down in the law. If the member for Kitchener-Wilmot was really intent on ensuring that the purpose of this amendment could be adopted without support, he might have spoken up at that time rather than waiting until this particular amendment. I'm afraid we will not support either the sub-amendment or the minister's amendment and if the Liberal Party wishes to see that students continue to have the right to this protection of justification of the rents in their residences, then they should support us in opposing the minister's amendment.

Mr. Warner: I find it's a little unfortunate—perhaps it's simply the timing of the thing—that we have this in front of us right now. As the member for Ottawa Centre has most aptly pointed out, the intent of this amendment to the amendment is that students be protected through the rent review process;

or, shall we say, that they have some form of redress; that they have some form of protection. That is precisely what they have right now because they are included in rent review.

If the Liberal Party is concerned about protecting the rights of students with respect to rent increases, it need not introduce this amendment. It needs only to vote against the amendment put forward by the minister. That would very simply leave the students under rent control. It would provide the very thing embodied in the amendment put forward by the member for Kitchener-Wilmot. I would urge that the Liberal Party do precisely that.

Mr. Shore: I would like to hear the comments of the minister before I make my remarks.

Hon. Mr. Handleman: First of all in speaking to the amendment to the amendment, I would like to assure all members that the government would agree to some process of consultation continuing in the establishment of student residences' rents—including staff—and I think that it is a weakness in the amendment. I would like to have an opportunity, if I might, to study the amendment because I am inclined to agree with the member for Scarborough-Ellesmere that if the non-profit educational institution is required to prove justification that is a rent review process which means they are going to have to submit a cost-revenue statement to the students

I feel there has been a process of consultation in any of the institutions I am aware of. The reason, presumably, I don't have letters from these organizations—they have had a month in which to respond and they are not usually shy about responding to legislation which doesn't please them—we haven't heard from them, and I would say that silence indicates consent. We have heard nothing whatsoever from them. They know this amendment has been here for at least a month and certainly I would expect if they had any objections to it they would have filed them. I do want to say that I agree with the mover of the amendment to the amendment that there should be a process of consultation take place in this area. As to how we could achieve that I really would prefer to be given an opportunity to consult with legislative counsel to see if we can come up with some wording which would satisfy the hon. member. If I might I will ask Mr. Chairman that any further consideration of the amendment to the amendment be deferred until we have

had a chance to consult with legislative counsel on this. It is quite complicated.

Mr. Sweeney: Mr. Chairman, as my opening remarks implied it's the intent I want to get at and I would be quite happy with the minister's response.

Mr. Chairman: Does the committee agree to stand down the amendment to the amendment and we will give it further consideration before the bill is reported?

Mr. Good: Stand down the section.

Mr. Cassidy: The amendment will have to be stood down as well; the minister's amendment to section (aa).

Mr. Chairman: We will stand down the amendment and the amendment to the amendment for section (aa). The amendment to section (ab) we were going to deal with as a separate amendment so I will read it again.

Hon. Mr. Handleman moves that clause (ab) be deleted and the following substituted therefor:

(ab) situate in a building or a project owned, operated or administered by or on behalf of the government of Canada or Ontario or a municipality including a regional, district or a metropolitan municipality or any agency thereof.

Is there any discussion on this amendment to section (ab)?

Mr. Cassidy: We are going to oppose section (ab). A motion to delete would be the equivalent of opposing so I just put it on the record that we are going to oppose it.

What the original Act did was to extend rent review to cover OHC and privately-operated limited dividend and municipally-operated limited dividend housing as well as municipally-operated rent-geared-to-income housing. What the minister is now proposing is that the municipally and provincially-owned rent-geared-to-income housing as well as the municipal limited-dividend housing be excluded from rent review. The original intention of the bill has been changed to the point that privately-operated limited-dividend housing, as I understand it, remains under rent review. Is that correct? The minister nods and says that that is correct.

We spoke at some length during second reading debate about the question of OHC. I would just reiterate for the purposes of this debate that the major reason the New Democratic Party feels that Ontario Housing tenants should remain under rent review is the

unwillingness of the government to renegotiate a rent scale and to go together with the tenants to Ottawa to get CMHC to agree to the new rent scale, and to its failure to involve tenants in any meaningful way in the management of OHC, whether it be on the local housing authority boards, local public housing communities or the OHC board itself.

The third point we raised was also OHC's continuous failure to open its books. I have to report very encouraging news on that front. The other day the Minister of Housing (Mr. Rhodes) brought in seven bulky documents which give a summary of the accounts for each of the OHC projects across the province. That is a very large step forward but that certainly doesn't come close to satisfying the other two conditions we felt were very important.

I'd like to say with great interest and a certain amount of respect the leader of the Liberal Party (Mr. S. Smith) has called now for an immediate review of the rental scale for rent-geared-to-income housing and that is a change in position on the part of the Liberal Party. Earlier this month he published a letter he had written to Barney Danson, the Minister of Urban Affairs saying:

Dear Barney,

Would you please do something about the rent scale, it's too high. We have the feeling that a maximum rent of 25 per cent of gross income is too high for the government to demand for subsidized housing.

He pointed out that upper-income families paid less than 15 per cent and middle-income families about 18 per cent of gross income in shelter costs.

These were the points which I and other members of our caucus were making on the second reading debate about a week before this particular letter was penned by the leader of the Liberal Party. We welcome his conversion but it is our feeling that the Liberal Party, in view of the stand it is now taking on OHC rent-geared-to-income scales, should agree with us and should oppose the exclusion of OHC from rent review. They should oppose it until such time as the government has renegotiated the rent scales in a meaningful way. If we have that kind of commitment and some action from the ministry, within a month we could get that problem sorted out. Unfortunately, we haven't seen that commitment up until now.

Mr. Good: As indicated on second reading, we are well aware of the fact that rent geared to income does not fit into rental re-

view procedures by any stretch of the imagination. The NDP knows this. They've said it publicly, but for some reason they want to continue the inequities and the mess that now exists trying to fit rent geared to income into rent review procedures.

The Liberal Party thought a lot about what should be done and we finally agreed that we've got to clear up one situation at a time. Then we took the very positive action, as indicated by the member for Ottawa Centre. We are now trying to get to the root cause of the problem which existed in the first case with OHC, that is, the agreement under schedule A which exists between OHC, the municipality and Ottawa on the rental schedule for the tenants living in OHC.

Mr. Cassidy: No, you never follow through. That is what is wrong with the Liberals.

Mr. Chairman: Order, please.

Mr. Good: As has been indicated, we won't solve the problem here in this Legislature, but we can solve the problem of the mess which now exists where the housing authorities across the province are trying to circumvent the rent review procedure, circumvent the rent geared to income and come up with some kind of a cross-breed situation which doesn't satisfy the Act, doesn't satisfy the smoother operation of the Ontario Housing authorities or satisfy the tenants themselves. So we think the only way to solve the problem is to get some action by reviewing the schedule.

As indicated by the member for Ottawa Centre, our leader did write a letter to Mr. Danson, and he pointed out the problems which now exist. I think a positive action of that nature is what is required, but I see no reason why we should perpetuate the administrative mess which now exists by having rent geared to income—

Mr. Shore: And the inequities.

Mr. Good: —under the rent review procedure.

Mr. Shore: Right on.

Mr. Good: So, we feel we're taking a responsible position on this.

Mr. Cassidy: No, you never follow through, you know.

Mr. Good: I think it is the only position which can result—

Mr. Cassidy: That is what is wrong with the Liberals.

Mr. Chairman: Order, please.

Mr. Good: —in any long-term solution to the problem, which we know exists. The government knows it exists—I hope they do—and the NDP knows it exists. The NDP has publicly said it's not the solution to put geared-to-income housing under rent review, but it is there. We think that our action has been the only positive action of any of the two parties in trying to solve this problem.

Hon. Mr. Handleman: Mr. Chairman, all of the reasons for including rent geared to income in the legislation which is now before us were debated at great length by many speakers on all sides of the House at the time of second reading. I don't feel that any purpose would be served in going over those. Certainly, there is no question whatsoever that the question of the rent scale is in some way associated with the problem. But I said at the time of second reading, and I say it again, I'm glad to hear that our friends in the Liberal Party are taking this position that the two problems, while they're related, are not inseparable. I think we should deal with them as problems—and they are problems. There's no question about it.

My colleague, the Minister of Housing, is seized of the responsibility for establishing the rent scale. I recall when I had that responsibility at one time, the difficulties that were involved in even discussing it with a variety of levels of government. It was very difficult to find all levels willing to come together on the same priority.

I should point out, Mr. Chairman, that the Province of Manitoba, which has a rent scale somewhat similar to Ontario's in its public housing, has excluded public housing from the rent review programme which they are now bringing in. The reasons why they're doing it are exactly the reasons that we're taking it out at the present time.

Mr. Cassidy: They've also got the most progressive tax system in the country.

Hon. Mr. Handleman: You know, I don't think that this government—

Mr. Cassidy: That's a real difference, you know.

Hon. Mr. Handleman: —this government can be told by the official opposition that, "If you do this, we will do that." I think

we have to deal with the question of the principle, which was debated here in second reading. It's quite clear that, on principle, it was the wish of this Legislature that rent geared to income for municipal, provincial or federally-operated housing would be exempted from the provisions of the Act; and we would like to see that confirmed in this committee.

Mr. Chairman: Any further debate on the minister's amendment to section (ab)?

Mr. Bounsall: I am not at all in favour, no matter how well it's operating in our community, of removing from section (ab) the limited-dividend municipal housing. It's operating very well in Windsor at the moment, and it always has. Their increases are not above the eight per cent, and never have been. I don't anticipate they will be. If they do, it is because the energy costs have forced them above a particular eight per cent. They are purely non-profit and have been for years. They're operated solely on the basis of increases in rent being due to increased taxation costs or increased costs of energy—which we're now seeing.

Because they have operated this way in the past, there's no reason to believe that it will last in perpetuity. The Windsor Housing Co. may decide at some point to make a slight amount of profit for the city of Windsor for what is in effect its senior citizen housing—all its non-profit, limited-dividend senior citizen housing.

[5:30]

So, on that basis, it is simply to safeguard for the future. It will be no problem for them at all now. They were not in that position in the past, nor will they be, as I see it—even this year—where a rent increase will have to go above eight per cent.

So I say to the minister on this section, that I see no reason for excluding from rent review the limited-dividend, non-profit, municipal housing of which I gather there are only three in the province—Toronto, Ottawa and Windsor. It really will make no effective difference to the way the Windsor operation has been operating in the past. One can't always guarantee that in the future the Windsor Housing Co., which operates the limited-dividend municipal housing there, will not decide that this is a source of potential tax funds and operate in such a way as to make money for themselves and therefore cause rents to go above the eight per cent. So, it is on that basis that I would hope that the limited-dividend municipal housing referred

to in this section would remain untouched and remain under the original bill.

Hon. Mr. Handleman: Mr. Chairman, I don't want to be provocative, but I have never heard a case enunciated more clearly than the case put by the member for—I keep forgetting the name of your riding—

Mr. Bounsall: Windsor-Sandwich.

Hon. Mr. Handleman: Windsor-Sandwich, in which he called for controls for the sake of controls. We won't really need them, but we might some day, therefore let's put them in. It seems to me under those circumstances that we can control the universe because some day we might have to do it.

I think there is a clear division of philosophy here. As I say, I don't want to be provocative, but certainly I am not in favour of having controls in case they may be needed some day.

Mr. Bounsall: Just in reply to that: if it is no bother, if they don't go above the eight per cent, there is nothing coming before the rent review board. No one is bothered, no one gets hurt by it, and then you can leave them there and you can have them still covered and there is no process for the tenant nor the Windsor Housing Co. to go through. It is only if they go above eight per cent, or whatever is granted at any given year in the bill, that they need to go through. The tenants have always had explained to them exactly, and for what reasons, any increases that have come, and they have always been—no one likes to pay a slight increase in rent—but they have always been satisfied with the explanation given by the city of Windsor's Windsor Housing Co. There will be no problem to anybody if they are covered.

It is just a safeguard for the future, I will admit that, looking at it from the point of view of a tenant in the units covered by the Windsor Housing Co. It's a safeguard for the future. But why not, when we are dealing with a bill on rent control, build in a safeguard for the future should that be necessary? It bothers no one, neither the company nor the tenants in those senior citizen accommodations, at the moment to be left under the bill.

Hon. Mr. Handleman: I have already said on many occasions and I repeat it here that I don't think the bill is going to be in effect in perpetuity. Certainly I have no intention of providing for what may happen in perpetuity and the hon. member forgets com-

pletely that any rent increase can be appealed by a tenant regardless of the amount of the rent increase and the potential there for cluttering up the system is quite real. If we don't need it, let's not have it. If we do need it, we can look at it.

Ms. Bryden: In the case of the Metro Toronto housing for senior citizens, I understand the rent review legislation was needed to prevent too large an increase or an increase that the citizens would find hard to absorb in one 12-month period. The increase may have been justified by the cost—I think most people would agree because there hadn't been an increase for a long time—but to put it all in the one 12-month period was more than a lot of senior citizens could really handle without reducing their standard of living, so the legislation was beneficial in having some of those increases reconsidered.

Mr. Renwick: My colleague, the member for Ottawa Centre, myself and the leader of this party had an opportunity to meet with Chairman Godfrey of the municipality of Metropolitan Toronto and with the commissioner of social services on the question of the municipally-owned senior citizen limited-dividend accommodation. We discussed very briefly the comments made by my colleague, the member for Beaches-Woodbine (Ms. Bryden), about the problem of why we could not have them excluded from the rent review process.

We decided, because of the arguments made by my colleague, the member for Beaches-Woodbine, and because the officials of the municipality of Metropolitan Toronto indicated that they agreed with the inequity which was the result of the long-deferred increase in rent in that accommodation, that there were now some substantial increases even though some of them were below the eight per cent; a number of them were above the eight per cent. All they could say was that it was an average.

I think, to be fair to the municipality of Metropolitan Toronto, they did point out that there was a subsidy for the current year of some \$322,000 but when we look at it in an overall sense, we do not see why it should be that because they happen to be in publicly-owned housing, tenants should not have the benefit of the rent review procedure. It doesn't seem to us that it makes any sense that they should not have the benefit of the rent review procedure. We therefore felt there was no reason the limited-dividend housing should be excluded any more than we feel the rent-g geared-to-income

housing or any other kind of public housing project should be excluded from the rent review programme.

Simply because public housing programmes are part of the programmes of government to assist people who have difficulty finding decent housing accommodation is no reason that form of paternalism should exclude the tenants from having the protection of rent review. Therefore, we have decided that despite the procedural anomalies in which we are engaged we agree with the minister in continuing to include privately-owned limited-dividend housing under rent control. We are opposed to the exclusion of publicly-owned housing, be it limited-dividend or rent-g geared-to-income, from rent review.

Despite the procedural problems of voting on this minister's amendment to this particular provision of section 5 of the bill and despite the fact that it could be misinterpreted, I think we should be quite clear that we have opposed the exclusion of publicly-owned housing or publicly-assisted housing from the purview of the rent review Act.

Mr. Chairman: If there is no further comment on the minister's amendment, we are dealing exclusively with that amendment to section 5 which deals with (ab).

All those in favour of the minister's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the "ayes" have it.

Mr. Cassidy: We will stack that, Mr. Chairman.

Hon. Mr. Handleman: Mr. Chairman, I have another amendment to section 5.

Mr. Chairman: Hon. Mr. Handleman moves that subsection 2 of section 5 of the bill be amended by striking out "this Act" where it occurs the first time in the first line and inserting in lieu thereof "the Residential Premises Rent Review Act, 1975."

Mr. Cassidy: Mr. Chairman, we will agree to that amendment, but I had an amendment which came prior to that. Perhaps we could vote on the minister's amendment and then go back to mine.

Mr. Chairman: Is the amendment the member moved that section 5 of the bill be amended by renumbering subsection 2 and subsection 3, and by adding thereto the following subsection?

Mr. Cassidy: No.

Mr. Chairman: I am sorry. I didn't have a copy of that.

All those in favour of the minister's amendment?

Motion agreed to.

Mr. Cassidy: I move that clause (d) of section 5(1) of the bill be amended to read as follows:

(d) that is a mobile home or a mobile home site situated in a mobile home park, no part of which was occupied as residential premises before Jan. 1, 1976.

Mr. Chairman: Mr. Cassidy moves that subsection (d) of section 12 1(2)—

Mr. Cassidy: It's section 5(1), I'm sorry.

Mr. Chairman: I wish the hon. member would put it down in plain language so that the Chair could at least read it for the edification of the committee.

Mr. Reid: Do you realize that's an impossibility?

Mr. Cassidy: Very briefly, because time is running very short, the present exclusion on new apartments says in 14(1) of the Act: "This does not apply to residential premises, (c) situate in a building, no part of which was occupied as residential premises before Jan. 1, 1976."

In consultation with our expert on mobile homes, the member for Algoma (Mr. Wildman), he pointed out that the amendment that's proposed by the minister does not go along with the principle that has been applied to apartments in new buildings.

For the new building, it has to be the whole building which begins to be rented after January, 1976. The minister proposed that a mobile home site would be excluded if it hadn't been occupied, even if it was in a park which had been in operation before Jan. 1, 1976. Our amendment is simply to put the mobile home situation on the same basis as the new building situation in cities. I hope it's accepted in that light by the minister.

Hon. Mr. Handleman: There is absolutely no inconsistency here whatsoever. We are putting mobile homes on the same basis as a new subdivision where there are rental houses. If a building has not been rented, it is exempt from rent review. That's all there is to it.

The same thing applies to a mobile home. If there was no mobile home there rented as residential premises, then it's exempt from rent review under our amendment. I can't

understand his amendment. There is a very great inconsistency in what the hon. member suggests as an amendment to this bill.

Mr. Cassidy: I just hope that maybe the spokesman for the Liberal Party will see the light more than the minister has because the principle the minister is adopting in his proposed amendment is quite simply contrary to the way the bill works in cities. I don't see why mobile home tenants should be treated as second-class citizens.

Mr. Good: I feel the member for Ottawa Centre has misinterpreted it. If you're opening a new site, it's new and separate. If you want to tie down the whole mobile home park but the owner opens, say, 15 or 20 new sites, in our view, anything that will promote additional residential accommodation in Ontario is going to be most welcome. Undoubtedly, in the new site that he opens the rent will have some bearing to the old, but I think they should be free to encourage this, because a year from now we're going to be crying for any kind of residential accommodation. If we don't make some little effort, such as this and others, to open new residential accommodation for rental purposes, we're going to be in a tougher position next year even than we are now.

I would feel to prohibit new sites from being free from rental accommodation will in fact prohibit the whole matter of opening new sites within existing parks. I feel the intention in the bill, as it is printed, is better suited to the position of our party than the amendment.

Mr. Bounsall: I just wanted to be very clear here. I assume what our amendment means is that perhaps we're going further than this. If there's a site there that is unoccupied and hasn't been occupied, and that is consistent with the situation of an apartment in a building which is mainly occupied. That, again, would be subject to rent review in that apartment building. That is the site on which we think rent control should apply, in this bill.

[5:45]

New sites which have been developed, even in connection with an old site, may have some justification as the member for Waterloo North has said. What about those sites which have been unoccupied for some time but might be right in the middle of an already developed park? When those sites become occupied they should have the same rent and therefore be subject to rent control as the other occupied sites around them.

Hon. Mr. Handleman: I don't look on a mobile home park as a horizontal highrise building; it simply isn't. It is comparable to a subdivision. If a subdivision lot exists in the middle of a subdivision and the builder puts a building on it for rent, it is exempt from rent control. We are trying to say that mobile homes are in exactly the same position as single family dwellings. That's what they are. They are single family dwellings.

Mr. Cassidy: You will twist any principle, won't you?

Mr. Bounsall: It's the same as that empty apartment in an occupied building.

Mr. Chairman: Any further discussion?

All those in favour of Mr. Cassidy's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it.

We will stack that amendment along with the others.

Hon. Mr. Handleman: Mr. Chairman, I have another amendment to section 5 of the bill.

Mr. Chairman: Hon. Mr. Handleman moves that section 5 of the bill be amended by renumbering subsection 2 as subsection 3 and by adding thereto the following subsection:

(2) Clause (c) of subsection 1 of the said section 14 is amended by inserting after "as" in the second line the word "rented."

Mr. Cassidy: Mr. Chairman, we would accept the amendment. It is a clarification. I assume it is meant to cover the case in which, say, somebody has a large house which is converted into a triplex after Jan. 1, 1976.

Hon. Mr. Handleman: Or when an owner rents out a condominium unit which has not been occupied as rented residential premises prior to his moving out.

Mr. Cassidy: That is fine.

Mr. Chairman: Shall the amendment carry? Amendment agreed to.

Hon. Mr. Handleman: Mr. Chairman, I have an amendment to section 6 of the bill, if there are no further amendments to section 5.

Mr. Chairman: Anything prior to section 6? On section 6:

Mr. Breithaupt: Mr. Chairman, section 5 is not carried because you will recall that we stood down the amendments.

Mr. Chairman: Yes, recognizing that those were stood down.

Hon. Mr. Handleman moves that the bill be amended by renumbering sections 6, 7 and 8 as 7, 8 and 9 respectively, and by adding thereto the following section:

(6) Clause (b) of subsection 1 of section 16 of the said Act is amended by inserting after "tenant" in the first line the words "or a tenant to a tenant."

Mr. Cassidy: Earlier on, an amendment I moved was deemed not to be in order because it was not in line with the principle of the bill and I would like to ask whether this particular proposal by the minister is in order, in view of the fact that section 6 of the present bill changes the words "or to" to the words "to or to a", and refers to a breach under the penalty section of the bill.

Hon. Mr. Handleman: The purpose of the amendment is simply to clarify that while notices are required in the rent review board process between a tenant and a landlord, and a landlord and a tenant they are also required between tenants. In other words, tenants must notify the other tenants who are affected by the rent review officer's decision that an appeal is being undertaken. This is simply to make sure that everybody involved in the appeal process is notified.

Mr. Cassidy: Mr. Chairman, on a point of order. I'm asking if you would rule as to whether the amendment is in order, because it does not seem to me to be covered by the principle of Bill 60 or by the principle of section 6 of the existing amendments that we have.

Mr. Chairman: I have read it and accepted it as being in order.

Mr. Cassidy: Okay I will just comment. We don't disagree with the amendment. I would just point out though, Mr. Chairman that what you are doing is, because it's a technical amendment, allowing it even though it is not in line with the principle of the bill. I would just wish that this House from time to time would understand that certain matters can be discussed here and a certain amount of co-operation can come in, rather than constantly trying to rule a discussion on matters that are very important, as was done before.

Hon. Mr. Handleman: Mr. Chairman, I didn't ask you to rule it out at all.

Mr. Chairman: Order please. The Chair has something to say about this. The Chair

accepted two amendments on section 2 of this bill on the basis that we thought it didn't destroy the principle of the bill and they were accepted. Then after this Chairman left the chair and it was taken over by the deputy, the hon. member for Ottawa Centre tried to confuse the situation by suggesting that what was applicable in section 2 could be transferred to section 3, and I want to advise the hon. member for Ottawa Centre that I don't take that kind of manipulation kindly. I suggest to the hon. member that if he wants the co-operation of the committee and the co-operation of the Chairman, that he should be reasonable, not impute motives to other people, and I hope that he will take that into consideration during this committee.

Mr. Breithaupt: Mr. Chairman, we will not appeal your ruling.

Mr. Cassidy: Mr. Chairman, I have enormous respect for your ruling, and you are perfectly right that the Chair as an entity is different from the people who occupy it. I guess my point has been made and I appreciate what you said.

Mr. Good: One short question on the amendment: This relates to subletting from a tenant to a sub-tenant; is that right?

Hon. Mr. Handleman: Yes, Mr. Chairman.

Mr. Chairman: Any further comment on the amendment?

Hon. Mr. Handleman: Mr. Chairman I'm afraid I caught the last part of the question to the hon. member and I don't want to mislead him. This is the review board process where notices are required to be served. The Act now requires that a tenant who is appealing to the board notify the landlord, and the landlord who is appealing to the board notify the tenant. But there is also a requirement that the tenants notify other tenants who are affected by the appeal, and this is for the purpose of satisfying that need.

Mr. Chairman: Any further comments? Shall the amendment carry? Carried.

Section 6, as amended, agreed to.

Mr. Chairman: Any comment or discussion on any other section of the bill?

Hon. Mr. Handleman: Mr. Chairman, as you know, we stood down one part of the bill in the hope that we would have an amendment which would be acceptable to

all sides and legislative counsel is still working on that. I wonder if in view of this difficulty, we could stand the bill down and proceed with it immediately at 8 o'clock. I know the orders don't provide for this, but I believe it could be cleaned up fairly quickly.

Mr. Chairman: Shall section 6 of the bill carry?

Mr. Cassidy: Just a moment, Mr. Chairman.

Mr. Renwick: On a point of order: perhaps the House leader could advise us. Is he going to continue with this bill at 8 o'clock tonight?

Hon. Mr. Welch: That wasn't our intention, because the general agreement was that we would have legislation until 6 and we would do the budget debate tonight, but if the House wanted to concur otherwise—but people have committee commitments tonight and so on and everything has been predicated on that order, so I don't think that we should automatically assume that we would go into this order at 8 o'clock.

Mr. Renwick: Mr. Chairman, if I could comment for a moment on it. With the exception of one section which has been stood down because of a proposed amendment by the minister, and an amendment to the amendment proposed by the member from Kitchener-Wilmot (Mr. Sweeney), the bill is completed. It would appear to me that there is a reasonable chance at 8 o'clock that we could complete the bill this evening.

Mr. Breithaupt: Mr. Chairman, we have no objection to the procedure with the voting on the bill that would come promptly at 8 o'clock. I would think that if we could commit ourselves to a vote perhaps at 8:10 or 8:15, so that members could in fact intend to be present and use the time of the House to the best advantage by then proceeding with the budget debate, that that would be quite acceptable.

Mr. Chairman: The chairman is in the hands of the committee.

Mr. Breithaupt: Perhaps we could call it 6 o'clock then.

Hon. Mr. Welch: I think if we are going to have an understanding, it should be before we adjourn for supper. I understand there is a section that has to be commented on by the legislative counsel. I'm cautioned by the fact that certain people have made commitments

on the basis that we would not be doing legislation then. Could you just give me a minute to check?

Under the circumstances, it is understood the legislative counsel apparently will have his comments ready for us at 8 o'clock in connection with the section which has been stood down. Following consideration of that, if we could have an early bell, then if we

have the general agreement of the House we'll proceed that way at 8 o'clock. As soon as we finish this bill, then we'll resume to have the budget debate.

Mr. Chairman: Is that agreed by the committee?

Agreed.

The House recessed at 6 p.m.

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APPENDIX
(See page 2376)

Answers to questions were tabled as follows:

21. Mr. Angus—Inquiry of the ministry:

Would each ministry detail the hiring procedures for their respective ministries with particular reference to a list of all the people responsible for hiring staff for their particular ministry; the job classifications that those people may hire for; the geographical area they may hire for and the methods of advertising of available positions?

Answer by the Chairman, Management Board of Cabinet:

A: All ministries in the Ontario Public Service follow the guidelines for staffing outlined in Volume 3 of the Manual of Administration (Section E—Staffing).

When a vacancy is confirmed in an area, the decision is then made by the ministry concerned as to an appropriate area of search. It is usual that all vacancies are first advertised on an internal-ministry basis, either inside the Metro area, or outside Metro in a regional office. If a position cannot be filled by candidates from within a ministry, it is advertised on a service-wide basis in Topical/Job Mart. If service-wide competitions do not provide acceptable/suitable candidates, then the decision is taken to advertise externally.

Prior to any external advertising, ministries are required to secure the approval of the Civil Service Commission. This is done primarily to ensure that any surplus government employees, who may not have yet been considered, can be placed in the competition, and to control the intake into the classified service.

When recruitment is undertaken, on an external basis, it can be done either by the ministry or by the ministry and the Civil Service Commission. Most if not all competitions, which are outside the Metro area, are handled entirely by ministry staff. Competitions inside Metropolitan Toronto can involve the Civil Service Commission if the Ministry has not been delegated the authority to recruit within Metro, or if the position is one which is on a list of classes designated as having service-wide implications.

B: The personnel branches of all ministries are directly involved in the selection of candidates. Classifications of the personnel branch staff involved in the selection are Personnel Administrators 2 to 7, Assistant Directors of Personnel and Directors of Personnel. In certain ministries, e.g. Correctional Services and Health, Branch Directors, Regional and District Managers and senior staff have the authority to recruit and select staff.

Selection can be done by ministries for all positions in the Ontario Public Service throughout the Province of Ontario, with the exception of the positions that fall in the following categories:

Senior List, e.g. Deputy Ministers, Assistant Deputy Ministers;
Programme Executives, e.g. Branch Directors; and
positions in centrally administered Manpower Planning Modules, e.g.
Personnel Administrators and Management Services Officers.

C: As mentioned previously, all positions are advertised internally, usually by posting on a bulletin board, then on a service-wide basis through Topical/Job Mart. All ministries must obtain approval for advertising externally from the Civil Service Commission as part of the approval to recruit externally. If approval is obtained, vacancies are advertised in local newspapers, or contact is made with Canada Manpower.

29. Mr. Angus—Inquiry of the ministry:

- 1. What is the number of persons employed in the Thunder Bay area by each ministry?
- 2. What is their job classification?
- 3. What is the original home town of each person employed?

Answer by the Chairman, Management Board of Cabinet:

A: Ministry	No. of Persons Employed in Thunder Bay
Agriculture and Food	9
Attorney General	61
Community and Social Services	147
Con. and Commercial Relations	14

Ministry	No. of Persons Employed in Thunder Bay
Colleges and Universities	11
Correctional Services	127
Culture and Recreation	11
Education	55
Energy	—
Environment	55
Government Services	51
Health	572
Housing	12
Industry and Tourism	6
Labour	18
Natural Resources	170
Revenue	111
Solicitor General	65
TEIA	7
Office of the Premier	—
Transportation and Communications	521
Management Board/Civil Service Commission	—
Cabinet	—
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B: The classifications of the individuals employed in the Thunder Bay area cover the full range of classifications in the Ontario Public Service. As an example, the Ministry of Transportation and Communications employs Engineers, File Clerks, Draftsmen and Driver-Examiners, among their total of 572. Further, the Ministry of Agriculture and Food employs Agricultural Representatives, Agricultural Specialists, Home Economists, and Stenographers, among their total of 9.

C: Section 4 of the Ontario Human Rights Code lays down that no person shall not be employed on the basis of a number of things including place of origin. Because of this, we do not specifically retain information with respect to any public servant's original home town and, as a matter of fact, have recently initiated amendments to our employment application in order to remove that particular section from the application.

73. Mr. Angus—Inquiry of the ministry:

Would the Minister of Treasury, Economics and Intergovernmental Affairs please table (1) the total amount of provincial taxes collected each year for the last 10 years in north-western and northeastern Ontario as defined by your ministry and; (2) for the same period, detail total provincial government expenditures in northeastern and northwestern Ontario?

Answer by the Treasurer:

In response to your inquiry tabled in the Legislature on April 23, 1976, no historical series on revenues and expenditures are available by region in Ontario.

Estimates made for the fiscal year 1973-1974 suggest that residents of northern Ontario pay no more tax than their counterparts in the rest of Ontario. There is more substantive evidence, however, that the people of northern Ontario do receive a greater share of government expenditures. These points are illustrated by the following statistics.

	Northeast (%)	Northwest (%)	Rest of Ontario (%)	Total (%)
Proportion of Households	6.5	2.4	91.1	100.0
Proportion of Persons	6.7	2.5	90.8	100.0
Proportion of Taxes Collected	7.0	2.5	90.5	100.0
Proportion of Regional Expenditures Made	9.6	4.3	86.1	100.0

I must caution that this allocation by region is an estimate only. Serious technical and conceptual problems arise when making allocations of revenues and expenditures on a regional basis in Ontario.

CONTENTS

Tuesday, May 18, 1976

Travel industry compensation fund, statement by Mr. Handleman	2365
Hospital workers' dispute, questions of B. Stephenson: Mr. Lewis	2365
Lakeshore psychiatric unit, questions of B. Stephenson: Mr. Lewis	2366
Mental retardation centres, question of Mr. Taylor: Mr. Lewis	2366
Private hospital closing, question of B. Stephenson: Mr. Lewis	2366
Travel industry legislation, question of Mr. Handleman: Mr. Lewis	2366
Asbestos-cancer study, question of B. Stephenson: Mr. Lewis.....	2367
Vinyl chloride levels, questions of B. Stephenson: Mr. S. Smith, Mr. Lewis, Mr. Gaunt, Mr. Kerrio	2367
Browndale operations, questions of B. Stephenson: Mr. S. Smith, Mr. Eakins.....	2369
Off-street parking, questions of Mr. Snow: Mr. S. Smith, Mr. Shore, Mr. Deans	2370
Urban transportation, questions of Mr. Snow: Mr. S. Smith, Mr. Reid	2370
Post-secondary education funding, question of Mr. Parrott: Mr. Norton	2371
Workmen's compensation, questions of B. Stephenson: Mr. Lupusella, Mr. Bounsall	2371
Economic forecasting, questions of Mr. Davis: Mr. S. Smith, Mr. Bullbrook	2372
Urban transportation, questions of Mr. Snow: Mr. Nixon	2373
Produce prices, questions of Mr. W. Newman: Mr. MacDonald, Mr. Peterson	2373
Seatbelt use, question of Mr. Handleman: Mr. Spence.....	2374
Disposal of mine tailings, questions of Mr. Kerr: Mr. Foulds	2375
Radioactivity at Port Hope, question of Mr. Kerr: Mr. Moffatt	2375
Education Amendment Act, Mr. Wells, first reading	2376
Notice of dissatisfaction with answer to question on rent review, Mr. Cassidy	2376
Tabling answers to questions 21, 29 and 73 on the order paper, Mr. Welch	2376
Residential Premises Rent Review Amendment Act, in committee	2376
Recess	2411
Appendix: Answers to questions 21, 29 and 73 on the order paper	2412

SPEAKERS IN THIS ISSUE

Bernier, Hon. L.; Minister of Natural Resources (Kenora PC)
Bounsall, E. J. (Windsor-Sandwich NDP)
Breithaupt, J. R. (Kitchener L)
Bryden, M. (Beaches-Woodbine NDP)
Bullbrook, J. E. (Sarnia L)
Cassidy, M. (Ottawa Centre NDP)
Conway, S. (Renfrew North L)
Cunningham, E. (Wentworth North L)
Davis, Hon. W. G.; Premier (Brampton PC)
Deans, I. (Wentworth NDP)
Drea, F. (Scarborough Centre PC)
Eakins, J. (Victoria-Haliburton L)
Foulds, J. F. (Port Arthur NDP)
Gaunt, M. (Huron-Bruce L)
Germa, M. C. (Sudbury NDP)
Good, E. R. (Waterloo North L)
Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
Kerrio, V. (Niagara Falls L)
Lawlor, P. D. (Lakeshore NDP)
Lewis, S.; Leader of the Opposition (Scarborough West NDP)
Lupusella, A. (Dovercourt NDP)
MacDonald, D. C. (York South NDP)
McClellan, R. (Bellwoods NDP)
Moffatt, D. (Durham East NDP)
Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, K. (Kingston and the Islands PC)
Parrott, Hon. H. C.; Minister of Colleges and Universities (Oxford PC)
Peterson, D. (London Centre L)
Philip, E. (Etobicoke NDP)
Reid, T. P. (Rainy River L)
Renwick, J. A. (Riverdale NDP)
Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)
Roy, A. J. (Ottawa East L)
Ruston, R. F. (Essex North L)
Samis, G. (Cornwall NDP)
Shore, M. (London North L)
Singer, V. M. (Wilson Heights L)
Smith, R. S. (Nipissing L)
Smith, S. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Spence, J. P. (Kent-Elgin L)
Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
Sweeney, J. (Kitchener-Wilmot L)
Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)
Timbrell, Hon. D. R.; Minister of Energy (Don Mills PC)
Warner, D. (Scarborough-Ellesmere NDP)
Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)
Wells, Hon. T. L.; Minister of Education (Scarborough North PC)



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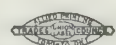
Third Session of the 30th Parliament

Tuesday, May 18, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159)

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LEGISLATURE OF ONTARIO

TUESDAY, MAY 18, 1976

The House resumed at 8 p.m.

RESIDENTIAL PREMISES RENT REVIEW AMENDMENT ACT (concluded)

House in committee on Bill 60, An Act to amend the Residential Premises Rent Review Act.

On section 5:

Mr. Chairman: If the committee will come to order, I think the hon. minister had subsection (aa) of section 5 stood down. I understand he's got something on it.

Hon. Mr. Handleman moves that subsection (aa) as it was proposed to be amended be deleted and the following substituted therefor:

(aa) situate in a building or project owned or operated by:

(i) a hospital approved under the Public Hospital Act as a public hospital;

(ii) a religious institution for a charitable use on a non-profit basis; or

(iii) a non-profit educational institution for the purpose of providing accommodation for its students or staff for educational purposes except that where the tenant is a student at the institution and the students have a recognized students' council, this exemption does not apply unless the institution files with the rent review officer, before the notice of a rent increase is given, a statement certifying that there has been consultation with the students' council respecting the increase.

Mr. Renwick: Before the amendment is put—so we don't get confused—I would like to move an amendment.

Mr. Chairman: Mr. Renwick moves that the words "and the recognized students' council" be inserted after the word "institution."

In what line is that? I see institution is used here in several—

Mr. Renwick: In the proviso.

Hon. Mr. Handleman: I don't really follow the member for Riverdale's proposed amendment at all. Perhaps he might want to explain the intent of it; because we have incorporated in the motion the fact that the students, through their recognized student council, should be consulted. It's in the amendment now.

Mr. Renwick: In the amendment which I have, the one that is now before us, there are certain words written in. I am reading from the written-in line. It's the sixth line, after the word "institution," so that it would read:

except that where the tenant is a student at the institution and the students have a recognized students' council, this exemption does not apply unless the institution and the recognized students' council files with the rent review officer, before the notice of a rent increase is given, a statement certifying that there has been consultation with the students' council respecting the increase.

Mr. Good: I gather the intent of the amendment to this amendment is that both the institution and the students' council certify there has been consultation. Is this the intent?

Mr. Renwick: That is the intention.

Mr. Good: All right; I think that is an important point. But there is one other important point and that is the variety of student groups represented at the university; and also the fact that the student council or the student union or the student organization may have very little, if any, relationship with the body or the tenants who have normally had the dialogue with the director of housing.

I know at the University of Waterloo there is a recognized group representing the married students and the married students' quarters, who have been taken in on all the consultations. It is similar with the students living in the dorms. If the students' council would also include—or if there could be added the words "or the residents' council"; that is a council that has been formed to represent those living on campus. There are such groups

existing; they represent those who are living on campus, both in dorms and in married students' apartments.

If the minister would be agreeable to enlarging this to include in those institutions where the students have a recognized students' council or a residents' council; and then if he would assure that there is certification by both groups that the consultation has taken place, then I think our objections would be completely satisfied and we would agree, I am sure this can be reworded quite easily by adding—I would have to work this out unless the minister wants to just add it in his amendment and we would accept it as put forth by the minister. This takes into account a residents' council as well as a students' council. Could the minister speak to those two points?

Hon. Mr. Handleman: First of all, I would like to comment on the amendment to the amendment put forward by the member for Riverdale (Mr. Renwick). I have certainly no objection to both of the organizations, either the institution or the students' representatives, signing the notice.

On the other hand, I would like to make it quite clear that this would amount to either body, and particularly the students' representatives, having a veto on the question of the exemption from rent review. I don't see how we could possibly incorporate the principle of a veto in an amendment to the amendment when the principle we're trying to establish here is that it be taken out of the rent review process provided there has been consultation.

It really seems to me that if you can't accept the certification of the institution that there has been consultation our whole system is in the process of breaking down. There is no trust whatsoever between anyone in any form.

I must simply say that I find it unacceptable to include in this amendment a potential veto power to include once again in rent review any group which says: "We have not been consulted and therefore we want a rent review process."

Certainly the suggestion made by the Liberal spokesman in this case is not unwarranted. I would like to point out to him that perhaps a simple interchange of words—instead of "a recognized students' council" let's say "a recognized council of students," which would take care of any organization which is recognized by the institution as representing students—might satisfy the suggestion that's been put forward.

Mr. Renwick: Mr. Chairman, I accept the minister's rationale. Do you know the reason I accept it? I moved the amendment to point out how totally ridiculous the amendment proposed by the Liberal Party was. I understood exactly what was being played this afternoon by the minister when he said, "Yes, we'll embrace the proposal by the member for Kitchener-Wilmot (Mr. Sweeney) because it's meaningless—"

Mr. Shore: It's not meaningless.

Mr. Renwick: "—and because we can have it our way." Your amendment tonight has it your way. The institution can certify but the persons who pay the rent can't certify.

Mr. Shore: That's not what was said.

Mr. Renwick: That's what the minister has just said. He's tried now to ride both ways. He wants to be able to say to the Liberal Party if the institution recognizes a council, not the students' council for the university but a council with whom it has consulted, then he'll accept the unilateral certificate of the institution.

I know the member for London Centre—London North?

Mr. Shore: Have we met before?

Mr. Renwick: Yes, we've met. We've met personally. I've never met your riding.

Mr. Roy: No, and you're not going to meet it for some time either.

Mr. Renwick: As a matter of fact, I am, on June 5. I'm going up to debate with the member for London North. The member for London North is very anxious because the Liberal Party is very anxious to play with the Conservative Party on this amendment. They're working out the amendment, you see.

Mr. Roy: You're not a very good sport, Jim.

Mr. Renwick: But what the minister has said is that the institution may certify; one party to the consultation may certify but not the other party. I simply want to put it the other way, that the tenants in such an institution cannot be subject to the veto power of the institution. Therefore, I agree and accept the minister's rationale and I trust that not only will my amendment to the amendment be defeated but that the amendment itself will be defeated in the course of this debate.

Mr. Shore: With the greatest respect to the hon. member for Riverdale—

Mr. Sweeney: With the what? Watch out, he's squinting at you.

Mr. Shore: That's right. The purpose of this exercise, as I understand it, is to try to get some rationale and understanding and respect for the consumer of this service.

Mr. Warner: It's known as rent review.

Mr. Shore: Are you finished for a minute or two?

Mr. Warner: No.

Mr. Shore: Okay; when you're finished, let me know.

Mr. Haggerty: You talk to him.

Mr. Shore: As I understand it, that is the ultimate purpose. I don't think the member for Riverdale quite understands it with his vetoes and his dictatorial process.

Mr. Haggerty: Keep after him.

Mr. Warner: He's in a fog again.

Mr. Chairman: The hon. member for London North has the floor; and would he please ignore the interjections.

[8:15]

Mr. Makarchuk: Slightly out of his depth.

Mr. Shore: It so happens that a large constituency in London North riding is the University of Western Ontario, which has a great number of students.

Mr. Good: How many students do you have in your riding? You don't have a student in your riding.

Mr. Shore: When this matter first came to the House I supported, and I still do, the concept of what we were talking about. It was brought to my attention, however, by a member of the university students' council, that they opposed this concept initially. I then decided that it is important to understand this a little more.

I took it upon myself to discuss this with people, including the students' council—I asked the students' council to make representation as to how they understood it—and including the administrative body of the university. It must be made clear here, as I understand it, that the students' council, as such, has no technical jurisdiction in this matter whatsoever. I think that is what we have to be careful of and that is why I am standing in support of the member who has made this amendment so that the consumer

of this service is protected; and that is why I think we should keep that in mind. I think we should make sure that in this amendment to the amendment it clearly delineates that the students who are represented in these residences are the ones who are truly representative, not necessarily the students' council.

I think we should stress that. With the greatest respect to the members of the official opposition, and particularly the hon. member for Riverdale who is on this veto bit, the purpose of the exercise is really to make sure the parties involved are representative. To suggest otherwise is wrong; and to suggest there is something wrong with this amendment is wrong.

Mr. Chairman: The hon. member for Scarborough-Ellesmere.

An hon. member: It sounds like papal infallibility being quoted.

Mr. Warner: This is really quite incredible, this whole thing; absolutely.

Mr. Sweeney: Enlighten us.

Interjections.

Mr. Moffatt: Listen and you will understand.

Mr. Warner: Before dinner we get presented by the Liberals with an amendment which in effect describes the rent review process, but without a rent review officer; and then after dinner, our dessert is to see in front of us an item which really describes class action. And yet the government has said consistently, through its rent review, that you can't have class action, that that isn't a principle of rent review. The principle of rent review is to deal with things in an individual way; and that is not what you are talking about in what you have presented to us tonight, not at all.

If the member for London North, or any other riding over there, happens to be really concerned about this protecting of individual students, then all they have to do is support rent review, because rent review is protecting the students, as we amply found out when we described all of the situations in each of the universities.

Mr. Good: You don't know what you are talking about.

Mr. Shore: What's that got to do with the amendment?

Mr. Shore: I think you said that before.

Mr. Warner: What I am saying is that we have been presented with two amendments that are not at all acceptable; they cannot be, because they take away the right to rent review.

In the one case a discussion between two parties with no mediator, with no arbitrator, with no referee; that is the Liberal amendment. The government describes a class action, leaving it up to some representation which you can't even define. We have to vote against both of these amendments, they are absolutely ridiculous.

Hon. Mr. Rhodes: That is consistent.

Mr. Chairman: The hon. member for Kitchener-Wilmot.

An hon. member: Not again.

Mr. Sweeney: I would reiterate a comment which was made in the debate on the principle of the bill. As we did when the original bill was being presented, I would stress there are two sides to this issue. There are always two sides to every issue. In the original bill we tried to present some justice, some sense of justice, to both the landlord and the tenant.

Mr. Roy: You always try to do so.

Mr. Sweeney: The one thing this party stands for is trying to see both sides of the issue. The one thing this party tries to see—

Interjections.

Mr. Warner: Vote both sides.

Mr. Sweeney: The one thing this party tries to see, consistently—

Mr. Haggerty: They are coming around.

Mr. Sweeney: —is there isn't a black and white in these issues. There is a lot of grey in the middle and we have to work on that grey.

Mr. Foulds: All night long.

Mr. Sweeney: Now the two sides on this issue—

Mr. Foulds: The grey party.

Mr. Sweeney: —are both the institutions we know as the universities and the colleges in this province, and we have to try to support them. We spoke to that in the principle of the bill.

We said very clearly, on the principle of the bill, that the kinds of funds allocated to the colleges and the universities of this prov-

ince for operating expenses to provide post-secondary education must clearly be used for that purpose.

We said very clearly that we cannot do anything which would divert those kinds of funds for other purposes. We also said very clearly that the Ministry of Education has—

Mr. Foulds: The Ministry of Colleges and Universities.

Mr. Sweeney: —made it very clearly known to the various presidents of the universities that their ancillary services have to stand alone. That is the one side. We tried to speak to that issue and I think we did.

The other side of this issue is trying to be supportive, and to the extent that we can, protective of the student tenant. I think what we are trying to do very clearly in this amendment is to point out that the student tenant must have a voice—

Mr. Foulds: No power but a voice.

Mr. Sweeney: —in looking into the books, the expenses, the various factors which go into the determination, the justification, of the rents which the university institution, and college institution if you will, must charge to meet those expenses; to break even, to use the words of the Minister of Education.

Mr. Foulds: Colleges and Universities.

Mr. Sweeney: That is the point we wish to reiterate; that is the point we are trying to protect.

I have had telegrams from student unions and student tenants' associations; I have had letters; I have had personal delegations. The point they have made clearly to me is that they want something in this legislation which is going to protect their right to have some voice in the determination of the rents they will provide.

That is the purpose of our original amendment. I would have to congratulate the minister and his staff on rewording the amendment to keep the intent and the principle intact. I believe I speak for my party when I say we will support this.

Mr. Foulds: But he is not sure.

Mr. Chairman: Order. Before I recognize the hon. member for Scarborough Centre, I would like some guidance from the member for Kitchener-Wilmot.

Mr. Roy: Which way are you guys going?

Mr. Foulds: You are in trouble.

Mr. Chairman: Your amendment actually was an amendment to an amendment which has since been withdrawn by the minister. Do you want the committee to consider your amendment in the light of the minister's amendment?

Mr. Makarchuk: That is why they are supporting it.

Mr. Sweeney: Mr. Chairman, as I pointed out when that question was raised originally, the amendment was phrased before we knew what the minister was going to introduce. Once the minister had introduced it, I had no alternative but to put my amendment as an amendment to his.

I understand from what you have just said that we have gone back to square one, which was the original intention—an amendment to the original section of the bill as we understood it. I would move that it be placed in that way.

Mr. Chairman: This gives the Chair some difficulty because we have a new amendment proposed by the minister and we have two subamendments to it. One was proposed by the hon. member for Kitchener-Wilmot and one by the hon. member for Riverdale. As long as that is understood by the committee when we come to vote.

Hon. Mr. Handleman: Mr. Chairman, I wonder if I might speak to this before you put any question. It was my understanding that the hon. member for Kitchener-Wilmot was prepared to withdraw his amendment to the amendment, on the condition that the government brought forward an amendment which was satisfactory to him. I would ask him if perhaps he would now withdraw his amendment to the original amendment.

Mr. Sweeney: Mr. Chairman, I think the record will show that my opening remarks stated that my concern and the concern of my party was with the intent and the principle and if the minister was prepared to bring in an amendment which respected that principle, we would support it. I would accede to what has just been suggested.

Mr. Chairman: Thank you very much. The amendment to the amendment, as proposed by Mr. Sweeney, has been withdrawn.

Mr. Drea: First of all, I'd like to point out as someone who has had something to do with this over the past two hours, no piece of legislation could be further from a class action than the particular amendments here, particularly those covered under triple (i).

Mr. Foulds: Triple (i)?

Mr. Sweeney: Under what?

Mr. Nixon: It just looks that way.

Mr. Drea: Triple (i); one, two, three. One of the difficulties in framing this along the lines first suggested by the member for Kitchen-Wilmot is that at some institutions there is more than one recognized body. In some cases, the student council does not represent the graduate students' union or council; and in others there are tenants' groups, depending upon the particular structure of the university residence.

A great deal of time was spent in making certain the right organization for the right people would consult with the universities, or in a couple of cases a community college. That's why, very deliberately, the words were put in "and the students have a recognized students' council." Not "the recognized"; not "some recognized" or not just some organization, but "a recognized students' council".

The thinking behind that was that at every institution there are recognized groups, groups that can send delegates or are consulted by the formal students' council, whether it happens to be the student council of undergraduates or a graduate group. I would think the wording in this provides the utmost flexibility so that the right organization for the right people has the opportunity to consult with the particular institution.

As a matter of fact, this is the second time a particular exemption or a particular difference has been recognized by this Legislature among students in post-secondary institutions.

The first one was in the old Bill 146, which dealt with student pubs on campus, which is now incorporated in the Liquor Licence Act. At that particular time, a great many distinctive privileges were extended to both the faculty and the students. In fact, one of the particular privileges was that we recognize that there is a difference, and a very distinct difference, between activities on a post-secondary campus and those on the outside.

One of the difficulties in the question of student housing has been the fact that for practical purposes a great many student residences are vacant from May through September. This makes the application of not only this Act but of some others extremely difficult, because it is extremely difficult to get into a case of rent review where there is no tenant and there will not be one for some future time.

I would suggest that the amendment meets the questions and the problems that were

raised this afternoon about what happens to the student if, in the course of amendments as had originally been scheduled, student residences at the post-secondary level and elsewhere are immediately removed from rent review so that a right that students had would be taken away. I think by this particular amendment that right is not only protected but enhanced.

Far from being a class action, the procedure is that the council has to be consulted by the institution prior to the introduction or the announcement of a rent increase. It's not just a rubber-stamping of an increase that has been ordered by the institution it is a consultation process.

I have never known, in this province, a student council which, faced with the facts of the institution, has not responded in a spirit of fairness.

[8:30]

Now to go to the length of the amendment to the amendment, to say they must certify as well, is as ridiculous as introducing a pair of double negatives; they cancel out. What we have suggested, what we have in the amendment, is that the institution will file documents which will certify there has been a consultation process.

Mr. Nixon: Did you write this amendment?

Mr. Drea: Either there has been or there hasn't been.

Mr. Shore: Very good.

Mr. Drea: Why does the other side have to file? The institution files. It's that simple. They're the ones. The onus is on the institution to consult with the student council and not the other way around.

Mr. Renwick: Why do you not have the students' council certify? Everybody knows that universities lie.

Mr. Shore: You guys trust anybody?

Mr. Drea: The onus is on the institutions to commence the consultation with the student group; and where the onus lies also lies the responsibility to file with the rent review office documents that certify such a consultation has taken place.

If the hon. member for Riverdale is going to suggest to me we can rely, in certain cases, that post-secondary institutions in this province lie to the provincial government or misrepresent a consultation, if he has that little faith in the post-secondary institutions of this province and their administration, then

I suggest to him no amendment will cover those very basic doubts; no amendment at all.

Mr. Renwick: Why do you have them certify if you believe them?

Mr. Chairman: Order, please. The hon. member for Scarborough Centre has the floor.

Mr. Drea: The reason the word "certify" is used in the amendment is very simple. We didn't just want a letter coming in, we wanted a letter certifying that the spirit of the amendment had been carried out, there had been consultation.

We didn't want it to be ambiguous or left to somebody's decision; or say perhaps a five-minute talk saying: "We have 50 per cent cost increases at this institution, therefore the rent will go up 50 per cent." We want it to be a serious consultation with the student council, because as the member for London North has said: "This is consumer protection." That is why the word "certify" is there.

I realize that brings some mirth to the member for Riverdale, but I find myself in a real quandary with him. If he cannot trust the post-secondary institution and its administration to obey the laws of the province, then my friend, perhaps anarchy is a little bit closer than at least I want it. Thank you, Mr. Chairman.

Mr. Chairman: The hon. member for Windsor-Sandwich.

Mr. Bounsall: Thank you, Mr. Chairman. None of us on this side of the House, in this party, is claiming universities won't be truthful. We're trying to carry through in this bill the principle of this bill throughout which says: "The tenants, whoever they are, have rights; and those rights should be equal with the rights of the landlord to find out what is going on."

What we're saying is that the landlord—in this case it just happens to be a university—shouldn't be the only one who certifies that a certain action is taken. If you only want to choose one, the very reason we have a bill of this nature is to protect tenants from unwarranted rent increases that have taken place in this province over the last couple of years. If we're only going to give it to one of them to certify, then the logic of that would be that councils of students, or graduate student council, or staff association, or whatever other groups it is necessary to have in this bill, would be the ones that would be doing the certifying.

It is not, nor are we saying so here, that universities are any more or less trustworthy

than any other landlord. We're just carrying through on what the principle of this bill originally intended last December, and what any amendment to that bill, we hope, would be doing.

I oppose the minister's amendment for a further reason which has not yet been mentioned. I mentioned it before suppertime. One of the groups which you had left out in your consideration was the faculty and staff many of whom live, certainly at the University of Windsor, even in single-family housing owned by the University of Windsor. You haven't included in your exclusion from the Act people of the public who also live in those houses. You've now purported, in a rather screwed-up way, not a satisfactory way, to give students some say, but you've left out that whole group of university faculty and staff, which you mentioned in the initial part of your bill, who live in that housing.

Either the minister wasn't listening or didn't think to carry it through to his legislative draftsmen; or the minister has so little regard for the university faculty and staff in the universities in Ontario that he decided they absolutely didn't count nor did their rights.

I know the institutions at the University of Waterloo rather well, having taught there for some years. The member for Waterloo North (Mr. Good), knows that in the graduate student residences there are faculty members who are in those residences as heads or senior dons. That occurs in many of the residences at the University of Waterloo. In that situation, under the minister's bill the students in those institutions are going to have at least some consultation, but the faculty who are there, in presumably some supervisory capacity, do not have protection according to the amendment which the minister presented tonight.

He simply isn't at all clear-thinking or consistent throughout any of this. If the minister wanted to be consistent with the thinking he put forward in his amendment he would at least, in his amendment, have said "students or staff", and when he got to students' council he could have put "and faculty and staff representatives." That's all that would have been required to make that consistent to us. But the minister and his legislative draftsmen did not even think that was appropriate.

On that basis alone, I would vote against the amendment proposed by the minister. But the arguments made earlier by my colleagues as to why we find the amendment not acceptable are just as valid. Really, the

only way the minister could satisfactorily have covered this amendment would have been simply to have struck out all the words that start with "non-profit educational institution" and left them covered; and if necessary provided in this amending Act means by which there could be a mass action situation by the university and its students, all of one residence or residents of given rows of single-family housing as we have them at the University of Windsor. As it stands, particularly with staff included, and particularly with the onus on the proof of consultation being given in this case only to the landlord and not to the tenant, there is no way I can support this particular amendment.

Mr. Sweeney: I must confess the previous speaker did raise the issue immediately before the break. I concurred with him at that time and I would continue to do so. I would ask the minister if he would consider two small changes, because I appreciate it's now the minister's amendment.

The first one is that because we have had an opportunity to discuss this with some student representatives, we find that from their point of view the terminology "a recognized council of students" as opposed to "student council" is more acceptable to them.

The second point, as the previous member has just pointed out, is to be consistent with the earlier part of the amendment, where it says "students or staff"; wherever we have the term "students" would he accept "or staff" as well?

I would ask the minister to consider that, because I think the previous speaker has a valid point.

An hon. member: "And staff."

Mr. Sweeney: "And/or" is perhaps the proper wording.

Interjections.

Hon. Mr. Handleman: Mr. Chairman, if I may, it has been customary on this kind of thing, rather than having the minister sitting drafting legislation at his desk, that he make a commitment and turn it over to the legislative draftsmen who will incorporate the principle in the final wording of the draft, whatever it may be. This has happened in the past. I certainly accept the suggestions of both the member for Windsor-Sandwich and the member for Kitchener-Wilmot concerning the inclusion of staff. I had already, in my own copy, changed "recognized students' council" to "recognized council of

students." Assuming that the legislative draftsmen will incorporate the same protection for staff as is provided for the councils of students, I would ask the amendment be accepted, Mr. Chairman.

Mr. Chairman: Is it understandable and agreed upon by the committee?

Mr. Nixon: Mr. Chairman, on a point of order; the minister indicated it's customary in this House that an intent be accepted by the House which would then be incorporated by the legislative draftsmen.

This may have happened in the past, but I don't believe it is customary. Frankly, sir, I would hope it would not become customary for us to leave it with the draftsmen and the minister to incorporate the thoughts expressed. This is certainly the last thing we should do. If the minister is not prepared to offer an amendment for our consideration, then I would think that we should stand it down until he is so prepared.

Hon. Mr. Handleman: If I said it was customary, I want to apologize. It has happened. There have been cases where the intent of the amendment was made quite clear.

I am now committing the government to incorporating protection for staff and student councils in the way that has been suggested. Other than that, I would certainly be prepared right now to accept an amendment of that nature from anyone who wants to sit down and draft it at this time. I think it would take some time to do that drafting job.

Mr. Sweeney: Mr. Chairman, I would suggest to the minister he has already accepted the wording "council of students" instead of "student councils", is that correct?

Hon. Mr. Handleman: Yes.

Mr. Sweeney: The only other wording I am suggesting to correspond with the previous speaker's concern, with which I agree, is that wherever the word "student" appears we change it to "students and/or staff."

Mr. Good: "Council of students and staff."

Mr. Sweeney: "Council of students and staff"—I'm sorry. If the minister is prepared to accept it in principle, it's just a case of adding the words "and staff" wherever the word "student" appears.

Mr. Chairman: The Chair hasn't been apprised of any ironclad commitment, and it's very difficult for the Chair to put a motion unless it has something in writing.

If the committee wants to take a moment to draft amendments that would incorporate those thoughts we would be prepared to accept one.

Hon. Mr. Handleman: I wonder if we could move the wording as is, with the exception of changing "recognized student council" to "council of students." And at the end of the clause to say, "and where the tenant is a member of the faculty, that similar provisions shall apply with regard to faculty organizations."

I can put that in twice if you want, Mr. Chairman.

Mr. Breithaupt: We would be prepared to accept that commitment of the minister, because the bill would then be reprinted for third reading with those amendments. We could then proceed to vote on the bill at this time, if the section is completed; and deal with the matter to make sure it is in order by third reading.

Mr. Foulds: There is no provision for clause-by-clause study at the third reading stage.

Mr. Chairman: If the Chair might offer a suggestion: We could complete what we have before us. When we call in the members, there will be the opportunity given to the Chair to read the amendments. Perhaps at that time the legislative draftsmen and the minister will have the amended version that might meet with concurrence from the committee.

Is that agreed? All right.

Mr. Breithaupt: Agreed.

Mr. Foulds: Then we can have the debate at that time.

Mr. Bounsall: Just one comment to the minister on this. One should not just have it reading "faculty." Mutatis mutandis, use "faculty and staff", or continue to use just the word "staff" which you used originally in the bill.

Mr. Roy: Are you going to vote for it if he votes for it?

Mr. Bounsall: I might.

Mr. Nixon: The member for Riverdale hasn't decided what they are going to do on this.

Mr. Chairman: Order, please. Any further amendments?

Mr. Renwick: We decided this morning.

Mr. Chairman: Order. First of all we have an amendment by Mr. Renwick that the words "and the recognized student council"—

Interjections.

Mr. Chairman: I asked if there was any further discussion on the amendments. Hearing none, I've called the vote.

Mr. Chairman: Does the hon. member for Riverdale have something to say?
[8:45]

Mr. Renwick: Yes, I do. Thank you.

Mr. Reid: He wants to apologize.

Mr. Renwick: I want to turn from the substance of the educational institutions for a moment and talk about a couple of other matters related to the same clause, (aa), that we're dealing with. I now understand it and it's very difficult to understand what has taken place.

I understand there is no Liberal involvement in these amendments or subamendments of any kind at the moment. I understand the minister has moved an amendment which is the clause which was handwritten in the document which was given to us. I understand that I moved a subamendment or an amendment to the minister's amendment. I also understand there's some tacit agreement that the word "student" will be enlarged to include "or a member of the faculty"; and "a recognized student council" will also be enlarged to include "a recognized faculty council" at some point in the future.

In that confused position, let me point out to you—

Mr. Shore: If you're that confused, why don't you sit down?

Mr. Renwick: —that this party is going to vote against the section whether or not it has been amended.

Mr. Reid: And whether or not the rest of the party likes it.

Mr. Renwick: We take the trouble to discuss the legislation in the caucus—

Mr. Reid: Then you decide what to do when you get to the House.

Mr. Renwick: —and we are voting against the exclusion of these institutions from the rent review process. If I could set aside all the extraneous matter related to this exception which was introduced—

Mr. Sweeney: Students are extraneous?

Mr. Renwick: —by the member for Kitchener-Wilmot and start to talk about the substance of the three kinds of—

Mr. Breithaupt: We are back on the principle of the bill.

Mr. Renwick: —institutions which are involved, the minister has introduced for the first time as an exclusion a hospital approved under the Public Hospitals Act as a public hospital. That is introduced for the first time today.

Mr. Makarchuk: Those are the ones you can't close, remember?

Mr. Renwick: Let me understand that we're talking about residential accommodation provided by these institutions. I know the government finds it difficult, obviously, because Tories are naturally paternalistic; the Liberals find it difficult because they don't understand it—

Mr. Sweeney: We don't understand you; we understand the legislation.

Mr. Renwick: —but the fundamental principle of socialism is very simple.

Mr. Reid: Here it comes. I've been waiting for years to hear this. The bible according to Renwick. Could we have quiet, Mr. Chairman? This is a great event, an historic occasion.

Mr. Chairman: The member for Rainy River is one of the worst offenders.

Mr. Renwick: We happen to believe that government, through its agencies of different kinds, has an obligation to institute certain programmes such as the public hospitals—

Mr. Reid: That's the fundamental of socialism?

Mr. Renwick: —in the Province of Ontario.

Mr. Reid: That's not what Karl Marx said.

Mr. Renwick: We don't happen to believe that because the government institutes those programmes the persons who are subject to them are therefore automatically deprived of their rights.

Let me repeat that.

Mr. Shore: You don't have to repeat it.

Mr. Renwick: We believe that government has a role to play with respect to the protection of the citizens in the province, but

we do not believe for a moment that because a citizen is involved in one of those institutions he's deprived of any rights.

We also happen to believe that where there are expenditures of public moneys involved we want to be satisfied that the public moneys are expended for the purposes for which they are intended and that the tenants in the residences provided by any of these institutions bear no more than their fair share of what the cost of that institution may be. We do not want to have any public moneys diverted for the purpose of subsidizing residential accommodation.

The way in which you solve this problem for tenants in residential accommodation provided by hospitals under the Public Hospitals Act; provided by religious institutions for charitable use on a non-profit basis; and by non-profit educational institutions is to permit those persons who are the tenants to have the benefit of the rent review process.

It's just that simple. We have fought and fought against the exclusion of persons in public institutions from the protection of this Act. We have been sidetracked, or there have been endeavours to have us sidetracked because of the rent-geared-to-income principle, but the principle we adhere to is that persons in residential accommodation provided by public institutions of all sorts are entitled to continue to have the protection of rent review.

Starting from that principle, I can find no reason that would permit our caucus to support the exclusion of residential accommodation provided through the public hospitals. We can find no reason to support the exclusion of residential accommodation provided by religious institutions, even though it is for a charitable use on a non-profit basis.

I may say that I've noticed a change in wording, since the time the bill was introduced, in this particular amendment. Simply because a person resides in an institution provided by a religious institution for charitable purposes is no reason in the Province of Ontario in the 1970s to deprive that person of the protection of the rent review legislation; there just is no such reason.

When we come to the educational institutions, the same principle applies. Public money supports, to a large extent, the educational institutions in this province. Those educational institutions, to the extent they provide residential accommodation for students or faculty members, have no reason to believe that they, as landlords, should be exempted from the provisions of rent review, when their obligation is to justify publicly to

their tenants, through the rent review process, the extent and degree to which the costs of that residential accommodation have increased or not increased.

I can think of no better way, on the grounds simply of economic efficiency, to ensure that those buildings which are residential accommodation in public institutions are efficiently run than to have them subject to the process of rent review, because they have public funds at their disposal.

Mr. Shore: Rent review doesn't ensure any type of efficiency.

Mr. Renwick: Before the member for Kitchener-Wilmot intervened and before the introduction of the amendment today, we were opposed to the exclusion of the religious institutions on the original wording. We are opposed to the exclusion of the religious institutions providing residential accommodation on the amended wording; we are opposed to the public hospitals being excluded to the extent they provide residential accommodations; and we are opposed to the non-profit educational institutions being excluded.

We start from that proposition, so that if and when that issue comes before the assembly the NDP will vote against it. Then we had this diversionary tactic introduced so far as the non-profit educational institutions are concerned by the member for Kitchener-Wilmot, who wanted to confuse it and say so long as there had been consultation. Consultation in my vocabulary means two sides meet together to discuss and consult about it without any resolution of the problem. There is no obligation to resolve if the obligation is only to consult. I think everybody agrees with that.

Mr. Chairman: I must remind the hon. member for Riverdale that he can't speak about an amendment that has already been withdrawn.

Mr. Renwick: No, I am not talking about that. The member for Kitchener-Wilmot withdrew his amendment because the amendment introduced by the minister was the identical conception. So we are talking about the minister's amendment following upon the amendment introduced and withdrawn by the member for Kitchener-Wilmot, which said that rent review would be excluded in non-profit educational institutions if there was consultation.

Our position is quite clear; that's why I moved the amendment to the amendment, to say that the consultation must be shown to have taken place by both sides, and that

both sides must certify to the consultation having taken place.

Mr. Roy: Have you not withdrawn that amendment?

Mr. Renwick: Now we are quite clear about this and it is going to be quite simple, you see. The caucus of the New Democratic Party will support the amendment to the amendment, because we know from what the members of the Liberal Party have said that they will not support it. They can't support it because they don't want to support the proposition that recognized student councils, or a council of recognized students, or a recognized students' council, or a recognized council, whatever the variations—

Interjections.

Mr. Roy: Go over that one more time.

Mr. Renwick: Whatever the variation is, the members of the Liberal Party will not support that they should have any part to play in certifying as to whether the consultation has taken place. So we will stand to be divided on the amendment which I propose; the Liberal Party will oppose that amendment, as will the government; and then when the amendment of the minister is put, the Liberal Party will stand to support it, the government will stand to support it, and we will oppose it.

Mr. Nixon: You are going to lose them both, aren't you?

Mr. Renwick: Yes, that's right.

Mr. Breithaupt: Virtue may be its own reward.

Mr. Renwick: But, in a strange way, we will have protected the right of tenants in public institutions to the protection of rent review, and we will have protected the right of the students to have a say if there is a consultation to take place in the certification of it; and the Liberals and the Conservatives will be in the exact position which we want them to be so far as the public is concerned.

Mr. Chairman, that's our position.

Mr. Breithaupt: Let's have a vote and see in fact if that is what happens.

Mr. Roy: Just on a point of order, I understood the member for Riverdale to say, in response to the minister's comment, that he was going to withdraw his amendment. That's what you said originally.

Mr. Renwick: No.

Mr. Roy: No? So that the amendment is still there?

Mr. Renwick: Of course it is.

Mr. Roy: Well, I thought you said that. Why don't you make up your mind?

Mr. Sweeney: Mr. Chairman, I would like to point out to the member for Riverdale that the member for Scarborough-Ellesmere (Mr. Warner) and I are perhaps much more aware of the fact that the position of consultation with the various student bodies in this province is such that it will not just be consultation. We know from personal experience that when a student council, or any representative body of students, gets involved in an issue like this, they are going to be able to carry their own weight. We have a great deal of confidence in the various representations that the students of the post-secondary institutions of this province are able to carry in their own name.

Mr. Warner: I don't wish to prolong this debate. However, being lassoed into another corral is not my game.

Mr. Bulbrook: This isn't the Bundestag, it's a parliament.

Mr. Warner: Despite the sensitive comments made by the member for Kitchener-Wilmot, both he and the minister should know that the process of "consultation"—and I put that in quotation marks—which is taking place at Carleton University—

Interjections.

Mr. Warner: —is under the following conditions: Where the 15 per cent increase that has been asked for—

An hon. member: A little order here, Mr. Chairman.

Mr. Chairman: Will the member for Sarnia (Mr. Bulbrook) and the government house leader conduct their private conversation elsewhere?

Mr. Warner: Thank you, Mr. Chairman. At the university a 15 per cent increase has been requested, and the decision is still pending. The reason it is pending is the fact that the administration have protested having to go to the rent review board, and the students were contending that charges were improperly made to the residence for maintenance. The residence, which had been attached to the university building, was

under the same maintenance department as that which was servicing other buildings in the university complex. So it was the students' contention that they were getting pass-through costs which were for more than the residences. The university administration claimed otherwise.

[9:00]

That consultation process, as the minister and others from the Liberal Party have put it, has placed that whole business into a state in which it is not resolved and the rent review officer is having to make a decision. If we go by the kind of agreement the Liberal Party wants or that the government wants with its amendment, we would deny those students at Carleton University the opportunity to have an impartial decision rendered.

In my view the government would be making a very serious error by changing its ways. I say, once and for all, for the last time, the students are getting protection now under rent review; the process is working. Don't foul up the students' lives by taking them out from under rent review.

Mr. Sweeney: Since one specific example has been mentioned, another should be entered into the record.

In the 1974-1975 school year, the students at the University of Western Ontario faced a similar situation and through their own pressure tactics—I use that in the best sense of the words—were able to get the administration of that institution to reverse the decision to increase rents in the middle of the year. I repeat: I have more confidence in and more respect for the ability of the student associations of our various post-secondary institutions to carry their own weight if they have a fair chance to see the books and know what the facts are.

Hon. Mr. Handleman: Having been treated to that lengthy dissertation on the essentials of socialism, I'm tempted to respond in kind and at equal length. However, I will restrain myself and save myself for the late, late show. Anybody who wants to wait around at 10:30 can hear my five-minute reply to that.

For the benefit of the committee I would like to move the wording we now propose so there won't be any question about it.

Hon. Mr. Handleman moves that clause (aa) of section 5 be amended by adding after the words "for educational purposes":

except that where the tenant is a student or a member of the staff at the institution and the students or staff have a recognized

council or association, this exemption does not apply unless the institution files with the rent review officer, before the notice of a rent increase is given, a statement certifying that there have been consultations with the council or association as the case may be respecting the increase.

Mr. Chairman: All right. We can now put Mr. Renwick's amendment. Shall I dispense with the reading of Mr. Renwick's amendment?

Mr. Renwick: Mr. Chairman, on a point of order. First of all we are now being asked to approve in place of the minister's first amendment this amendment as revised to include the staff and their association. We have no objection to that. I want it understood that the amendment which I move must have a parallel amendment made to it in order to make sense in the context of the revised amendment.

Mr. Chairman: Do we have an undertaking from the member for Riverdale that he will provide the Chair with a copy of those amendments while the bells are ringing?

Mr. Nixon: Sounds like a very good way to handle it.

Mr. Renwick: No, I'm not—not while the bells are ringing.

Mr. Chairman: It gives the Chair some difficulty. If we don't have a substitute amendment it has to be as we have it.

Mr. Renwick: The members of the other parties have been rather frivolous all evening about this matter.

Mr. Breithaupt: We will allow the amendment to be defeated mutatis mutandi, Mr. Chairman.

Mr. Renwick: After the word "institution" I had moved the insertion of the words "and the recognized student council"; that should now read "unless the institution and the council or association as the case may be, certifies." I would ask that that be the amendment as put.

Mr. Reid: Could we have that in writing, Mr. Chairman?

Hon. Mr. Welch: Agreed.

Mr. Roy: We understand, let's vote on it.

Mr. Chairman: Mr. Renwick's amendment now reads: "and the recognized student council, and the council or association as the case may be".

Mr. Renwick: Mr. Chairman, may I give you my version of that amendment?

Mr. Chairman: I wish you would.

Mr. Renwick: My amendment would now read that after the word "institution", insert the words "and the council or association, as the case may be". Those are the words, Mr. Chairman; at the bottom of the page after the word "institution".

Mr. Chairman: Mr. Renwick's amendment to the amendment now reads: "and the council or association, as the case may be". All those in favor of Mr. Renwick's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the "nays" have it. Shall we stack that?

Are you ready now for the minister's amendment? All those in favour of Mr. Handleman's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the "ayes" have it. Stack it?

Anything further on any other section of the bill? If not, I want to remind the committee that when we come back to vote on the stacked votes, we have another vote on Bill 9, An Act to amend the Niagara Escarpment Planning and Development Act, 1973, that has been stacked.

Mr. Nixon: Oh, yes, now I remember.
[9:35]

Mr. Chairman: We have four amendments moved by Mr. Cassidy to section 2 and section 5 of the bill. Shall we dispense with the reading of them?

Some hon. members: No.

Mr. Chairman: Mr. Cassidy moves that section 2 of the Residential Premises Rent Review Amendment Act be amended by adding the following:

(6) Subsection 6 of section 5 is amended by adding the words at the end:

And where a landlord files a cost-revenue statement with the rent review officer he shall forthwith give to the tenants a copy of said cost-revenue statement.

Mr. Cassidy further moves that section 2 of the Residential Premises Rent Review Amendment Act be amended—

Mr. Cassidy: On a point of order, Mr. Chairman, I believe that it is customary to vote on each amendment successively.

Mr. Chairman: If that is the wish of the committee.

The committee divided on Mr. Cassidy's amendment which was negatived on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 23, the "nays" are 62.

Mr. Chairman: I declare the amendment lost.

Mr. Cassidy moves that section 5 of the Act as amended by section 2 of this Act is further amended by adding thereto the following subsection:

(15) The rent review officer in his discretion or upon application of a tenant may require a landlord to have all or any part of the cost-revenue statement or other financial information filed by the landlord audited by an independent accountant.

The committee divided on Mr. Cassidy's amendment which was negatived on the same count as the first vote.

Mr. Chairman: I declare the amendment lost.

Mr. Cassidy moves that subsection (d) of section 5 of the bill be amended as follows:

(d) That is, a mobile home or a mobile home site situated in a mobile home park, no part which was occupied as residential premises before the first day of January, 1976.

The committee divided on Mr. Cassidy's amendment which was negatived on the same count as the first vote.

Mr. Chairman: I declare the amendment lost.

Interjections.

Mr. Chairman: Order, please.

Mr. Cassidy moves that section 2 of the Residential Premises Rent Review Amendment Act be amended by adding the following subsection:

(7) Section 5 of the bill is amended by adding the following subsection 9(a): When applications have been received in respect of more than one tenant in a building or project in which rents are geared to income and the rent review officer wishes to fix a common date for the hearing of all such applications the rent review officer may, in his discretion, restrict access to the rent data for each individual unit in order to preserve the confidentiality of the tenant's income provided that all other

material filed in accordance with this Act is disclosed in accordance with this section.

The committee divided on Mr. Cassidy's amendment which was negated on the same count as the first vote.

Mr. Chairman: I declare the amendment lost.

Interjections.

Mr. Chairman: Order, please.

Mr. Handleman moves that clause (ab) of subsection 1 of section 5 of the bill be deleted and the following substituted therefor:

(ab) Situate in a building or project owned, operated or administered by or on behalf of the government of Canada or Ontario or a municipality including a regional district or metropolitan municipality or any agency thereof.

The committee divided on Hon. Mr. Handleman's amendment which was approved on the same count as the first vote, reversed.

Motion agreed to.

Mr. Chairman: Mr. Handleman moves the following amendment to section 5, subsection 1(aa):

situate in a building or project owned and operated by,

(i) a hospital approved under the Public Hospitals Act as a public hospital.

(ii) a religious institution for a charitable use on a non-profit basis

(iii) a non-profit educational institution for the purpose of providing accommodation for its students or staff for educational purposes, except that where the tenant is a student or a member of staff at the institution and the students or staff have a recognized council or association this exemption does not apply unless the institution files with the rent review officer before the notice of a rent increase is given a statement certifying that there has been consultation with that council or association, as the case may be, respecting the increase.

Mr. Renwick moves a subamendment to Mr. Handleman's amendment which adds "and the council or association, as the case may be," after the word "institution."

The committee divided on Mr. Renwick's subamendment, which was negated on the same count as the first vote.

Mr. Chairman: I declare the amendment to the amendment lost.

The committee divided on Hon. Mr. Handleman's amendment, which was approved on the same count as the first vote, reversed.

Motion agreed to.

Bill 60, as amended, reported.

NIAGARA ESCARPMENT PLANNING AND DEVELOPMENT AMENDMENT ACT (concluded)

Mr. Chairman: We have a stacked amendment to Bill 9, An Act to amend the Niagara Escarpment Planning and Development Act, 1973.

Mr. Norton moves that section 2 of the bill be amended by adding thereto the following subsection:

(1) Subsection 5 of section 5 of the said Act is amended by adding at the end thereof, "and may designate the chairman as an employee and the commission as an employer for the purposes of the Ontario Municipal Employees Retirement System Act and that the present section 2 of the bill be renumbered as subsection 2 of section 2."

The committee divided on Mr. Norton's amendment which was approved on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 58, the "nays" are 27.

Motion agreed to.

Bill 9, as amended, reported.

Mr. Reid: Mr. Chairman, could you tell me if all the votes equal the number of people who are in the chamber in their seats? [9:45]

Mr. Chairman: The Clerk advises me that he didn't see anyone abstain.

Mr. Reid: I draw to the Chairman's attention, I thought the member for Carleton East (Ms. Gigantes) was sitting in her seat. Maybe she refound her principles on that vote while the rest of the party didn't.

Interjections.

Hon. Mr. Welch moved that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report two bills with amendments and asks for leave to sit again.

Report agreed to.

Clerk of the House: The first order, resuming the adjourned debate on the amendment to the motion that this House approve in general the budgetary policy of the government.

BUDGET DEBATE

(continued)

Mr. Speaker: The hon. member for Ottawa East.

Mr. Renwick: Is he still speaking?

Mr. Roy: Yes, it is our turn.

Mr. Speaker: The last speaker, as I recall it, was the member for Oshawa (Mr. Breough) and it is the turn of the Liberal Party next. The hon. member for Ottawa East then has the floor.

Mr. Nixon: One of those endless ones, as I recall.

Mr. Roy: That's what I thought.

Mr. Bounsall: Look at the people leaving the gallery, Albert; everybody is leaving.

Mr. Moffatt: They are going away in droves Albert.

Mr. Breithaupt: Give him a chance, it will be a great speech.

Mr. Moffatt: It's like the Liberal convention.

Mr. Speaker: Order, please.

Mr. Roy: Mr. Speaker, I suspect that most of these people are leaving because they are disgusted with the NDP.

Mr. Moffatt: It's like the Liberal convention.

Mr. Speaker: Order, please. Could we have a little order in the House? You are even driving the spectators out. Order, please.

Mr. Roy: Mr. Speaker, I suspect these people are leaving because they are disgusted with the NDP.

Mr. Nixon: Principles of socialism.

Mr. Roy: It's kind of hard to take sitting here listening to the member for Riverdale

talking earlier about the principles of socialism and what is good for the community, and to see that posture in relation to that last vote. It is surprising.

Mr. Makarchuk: At least we have some principles to talk about. That's more than you can say.

Mr. Speaker: Order.

Mr. Roy: Mr. Speaker, when the leader of our party comes back, those people are going to get a tongue-lashing.

Interjections.

Mr. Roy: Mr. Speaker, I would like to take this opportunity, not having had one for a while, to congratulate you on your position and on the job that you are doing in this House. I think I said before—

Mr. Makarchuk: You probably did.

Mr. Roy: —that it is a difficult role, but we seem to be getting on and getting by. I think you will agree, Mr. Speaker, that you are receiving a lot of co-operation from members on both sides of the House, and it is extremely helpful. I would say as well that the Deputy Speaker deserves full credit for also being very able. In a very short period of time, I think he has earned the respect of all members of the House. I think we can't say this often enough, because he is impartial and he is fair. He has earned respect for his decisions.

Mr. Nixon: A little tough on the NDP at times.

Mr. Sweeney: Especially the member for Ottawa Centre (Mr. Cassidy).

Mr. Roy: Mr. Speaker, I think the words in relation to the Deputy Speaker can be said with sincerity and with meaning.

I think I should take this opportunity as well to thank the voters of Ottawa East. I suppose as members we take for granted the fact that we come back here occasionally after certain elections and not often enough do we thank the voters and remind ourselves that we are here through their goodwill. I would like to take this opportunity and say to them that more and more the voters of Ottawa East, if I may say this, are showing an extreme amount of good sense. I say it modestly, Mr. Speaker.

Mr. Nixon: That majority is getting to be indecent.

Interjections.

Mr. Roy: I say it with a certain amount of pride because the riding is a reflection really of what this country is all about. The percentage ethnically is about 50 per cent French; I have the good fortune to represent a strong English community, Jewish community, Italian community and Portuguese community in my riding.

I have great pride when I look over the results and see that in all areas of the riding, in all polls, I think I lost 13 in the last election. I will have to fix that. One of the polls—I say it with a certain amount of discomfort—which I regularly lose is Pestalozzi College, but slowly and surely we are getting the radicals and the socialists out of that building and I hope to get better results in the next election.

I might say, with interest as well, that there is a senior citizens home on Porter Island where the former member of the Legislature, Jules Morin—

Mr. Nixon: I remember him well.

Mr. Roy: —is on the board of directors. It takes a while to get across in that particular home but gradually and slowly we are reducing the Conservative majority in that home. I might say that I am very grateful to the voters of Ottawa East.

Besides having the ethnic balance I have in my riding, I have the good fortune as well of representing people from all walks of life, from the Prime Minister—

Mr. Samis: Where is he by the way?

Mr. Roy: —to the Governor General, to the Justices of the Supreme Court of Canada, right down to the people who are working on Parliament Hill.

Mr. Shore: You mean right up.

Mr. Roy: Yes, right up to the charladies who are working on Parliament Hill. I have a fair cross-section and I take an awful lot of pride in having received that kind of majority.

I would say as well, taking this opportunity, that I am extremely grateful to all members on all sides of the House for their kind words and congratulations following the leadership campaign. I received tremendous response. I thought the response and the reception I got right across the province was just great; it was an exciting experience and I think it is an experience that all of us should try sometime.

Interjection.

Mr. Roy: Yes, but I thoroughly enjoyed it. It was natural that we were disappointed by the results but I do want to say that it was extremely gratifying for me to receive very kind and favourable comments from all members here. I think there are no comments which make you feel quite as good as those you receive from your peers on all sides of the House. For this, I do want to thank the members publicly.

I do want to say as well that during the leadership campaign I had advised the media people and the public that I was quite prepared to disclose what spending was involved in my campaign. I suppose this is as good a time as any to talk just briefly about what one of these endeavours — or what some people call a frolic of my own—has cost.

The campaign, by and large, on the latest figures I have, cost somewhere—

Hon. Mr. Bernier: Confession.

Mr. Sweeney: This is a budget speech.

Mr. Roy: Yes there's always some sort of a budget. It cost around \$49,900—

Mr. Shore: Will you draw supplementary estimates?

Hon. Mr. Bernier: Forty-nine thousand dollars?

Mr. Sweeney: No supplementary estimates.

Mr. Roy: I get a smile from the members across the way. I can say to them that these figures are far more accurate than the figures reflected by the Treasurer (Mr. McKeough) in his last budget.

Hon. Mr. Bernier: Prove it.

Mr. Bullbrook: And not nearly as big a deficit.

Mr. Roy: Yes, that's right. My deficit is much more restrained. I had better not say that quickly so we can discuss the deficit here.

Mr. Bullbrook: He is going to ask us for money.

Mr. Roy: Mr. Speaker, the costs, as I said, were in the area of about \$49,900. A brief breakdown is something like this: Salaries cost \$4,800, receptions \$4,000, and travelling around the province \$6,000. I should be looking in the Provincial Auditor's report to see how much money the minister spent last year travelling across the province.

Mr. Sweeney: And that was public money.

Mr. Roy: And that was public money.

Mr. Nixon: Milking it right out of the taxpayers.

Mr. Roy: Advertising and promotion cost \$20,400; meals, accommodation and transportation, \$9,500; communications, \$650 and convention entertainment, \$1,200.

Hon. Mr. Rhodes: How much was that per vote?

Mr. Roy: That's not bad. I would like to compare that with Brian Mulroney some time. Miscellaneous was somewhere around \$3,350. The revenues were somewhat more modest.

Mr. Samis: Let's hear this.

Mr. Roy: The latest calculations that we have are revenues in the area of \$42,700, involving some 250 different contributions from right across the province. So we are facing a deficit but nothing that we can't take care of. I am extremely grateful to my association which has been most supportive in all of this. I am sure that over a period of time this deficit will be taken care of. I just felt that I should make these figures public, having said publicly that I would. This is basically what we have.

If I may move on, I would like to speak briefly about the administration of justice and not repeat some of the things that I hope to say in the estimates about the backlog in the courts and so on. I should mention an incident that took place in this House recently with the member for Scarborough Centre (Mr. Drea). It is about the fact that he was thanking his minister for having built a courthouse in his riding and saying how fortunate he was to have a courthouse and that this was a massive building, 10 storeys high. When I said to him at the time: "You are very fortunate. We are having courts in the Holiday Inn in Ottawa," the expression was given by that member that maybe people in Ottawa did not have the good sense to vote on the right side. Basically, what he was trying to say is that he was able to get a courthouse because he was a Tory representing that particular riding.

I would hope this is not the principle upon which this government goes around the province granting necessities of building courthouses. But I do want to say that this was the exchange and the exchange is right there on the record. I see the minister shaking his head but the exchange by the parliamentary

assistant in this area clearly said he was given favourable treatment because he happened to be a Conservative and there was a Conservative administration.

Mr. Nixon: He was boasting about it.

Mr. Roy: Sure, in fact, he was boasting about it. I do want to say I have had occasion since talking about the Holiday Inn in Ottawa personally to attend courts in that building. The courthouse, the Holiday Inn, happens to be on Dalhousie St. in my riding. I thought I should look over and see how the procedure worked down there. So I went down there on one case and I was advised that at the Holiday Inn there was a room set aside for the court, a room set aside for the judge and a room set aside for defence counsel. There was a room for keeping the accused.

I thought they used the Holiday Inn for cases involving individuals who were not in custody, but here was a case of armed robbery. Individuals were brought in in custody in handcuffs. In the meanwhile, the guests were walking around the Holiday Inn, walking out of their rooms and fellows were walking down the hall with handcuffs on. I just thought that we are asking for trouble.

[10:00]

First of all, some of the criminal courts in Ottawa are in one office building on 1 Nicholas St. where everybody uses the elevator, including people who are in custody. And now we have the Holiday Inn where there are accused who are in custody in the hallway. People are being hauled in and out and I'm sure that the Ottawa police had strong reservations about guaranteeing any security around that place, and you can hardly blame them, Mr. Speaker. It seems to me odd, following this type of exchange when I hear there's a contract for a new courthouse to be built in Scarborough Centre, when I see the situation in the Holiday Inn.

I was told about another incident that happened in the Holiday Inn, when the presiding judge first sat in the Holiday Inn and felt that there should be a flag in the courtroom. They had to satisfy themselves with the Holiday Inn flag; that is what they brought in.

Mr. Shore: Did he have his bathing suit with him?

Mr. Roy: I'm not against holding courts in available accommodation, because I know the accommodations in many areas of the province are far from being adequate. But I just want to ask, for the record, what are we

waiting for in this province before we start looking at this situation? Are we waiting for the type of incident which may well happen, whether it's the Holiday Inn at Ottawa or whether it's another place across the province? And, surely, it reaches the point where the facilities available border on the ridiculous.

The courts and the judges in Ottawa have been crying about this situation for many years, so I think it important to put this contrast on the record.

I should just talk about a situation—considering the time involved I'm going to have to move on into it—and put on the record a situation that has happened as well in Ottawa, involving the administration of justice. I think all members are aware of this particular case; it received sufficient coverage across all the papers in the country, including papers outside of this province. It involved the so-called homosexual ring that was going on across Ottawa. This was described in various forms, not only in the local press but in papers right across the country.

For instance, I'm looking at a headline from the Toronto Sun, March 5, 1975, where they say: "Young Boy in Ottawa's Most Sordid Crime". They go on to say in many of the headlines: "Another Charge in White Slavery Ring", and so on. "Homosexuals Charged", and, "Homosexual Ring", and on and on. These were the headlines that were being seen right across the country, and subsequent to all the headlines some 18 people were charged.

Basically, the evidence upon which these 18 people were charged involved, really, one young individual. In other words, they had one young complainant, a 15-year-old complainant who was going to be the main witness in all of these charges. The community basically was led to believe that there was sort of a conspiracy involved with talk about the "most sordid crime" and that this was a widespread practice right across the city of Ottawa.

Some of the members may recall some of the accused involved—one was an RCMP officer, some were senior civil servants, and other people involved were in other very important positions across the city. You can well imagine, Mr. Speaker, these people were getting their names in headlines, their addresses, and so on. And so the original complaint was that their names appeared in the press and I defended that practice.

I felt that we are working in an open administration of justice and that it's important that the public know, if we're going to

have an open administration, who is charged, so that the public has access to following it through. Once a case receives such widespread attention that it has really outweighed the gravity of the charge, it is the role of the administration of justice to see to it that any misadventure or any miscarriage of justice that takes place is righted by the administration of justice.

I'm saying that this did not take place in Ottawa and that the administration of justice in fact broke right down in the processing of these cases.

First of all, one has to look at the role of the police in all of this and ask oneself, first of all, were the police proceeding on all these charges—basically, some 18 charges—on the evidence of one complainant or one or two complainants? Because you can well appreciate, Mr. Speaker, if you are basing your case on that evidence and that evidence alone, the type of pressure for that individual in appearing in case after case. All members are aware, for instance, of the traumatic experience that the complainant in a rape case has to go through, just for one case. Just multiply that some 18 times—and this was basically what was involved here.

Secondly, when the Ottawa police, as they were entitled to, released the names and the addresses, were they commenting on the evidence? Was it editorial comment about the nature of the evidence?

The danger of this, Mr. Speaker, is that an individual is entitled to be found guilty or acquitted on the evidence heard at the trial. But, if there are headlines all over the place telling what type of crime it is, or what type of evidence is involved, there is a possibility that the jury would be judging the individual, not on the evidence heard in the court, but on evidence read in the press.

We must guard against this. And so, is it the police or is it the press that started talking about the evidence? There seems to be a conflict on this. Police officers are denying having used expressions like "sordid crime" and "white slavery."

It seems to me, Mr. Speaker, that the police have a right to release the name and the address of the accused, but anything about the charges should be obtained from the courts. No evidence should be discussed prior to the trial—and it happened in this case. So, was it the press or was it the police?

Once the charges started proceeding through, it would appear that the complainant could not stand this kind of pressure—which is normal—and soon was under psychiatric

treatment at the Ottawa General Hospital. The Ottawa General Hospital apparently did not advise the police for about a period of a year while this individual was under psychiatric treatment. It would appear there was a conflict between the Crown and the police, and for some time one of these two agencies knew that the complainant was under that type of treatment, and yet the charges proceeded. Now, that has to be looked at.

But more disturbing, Mr. Speaker—and these are allegations by the complainant himself in evidence that he gave under oath—it would appear that his statement was coached by the police. In fact, this witness was given names to insert in his statement; dates and places were given to him by the police.

One must remember, Mr. Speaker, that these allegations are made by a complainant whose evidence was subsequently found to be somewhat unreliable. But, these statements have not been refuted and have been given under oath by a Crown witness. I have the transcript here where he clearly admits—and I don't have time, Mr. Speaker, to really go into it. But, one has to be alarmed because you see he is relying on his statement prior to going into court in giving evidence against the accused. Yet, he has given it under oath. In cross-examination, for instance, he is asked:

Now, insofar as your statement, the statement that you gave, has certain facts which are yours, but certain facts which are not yours, but were given to you by the police? He replied, "Yes." He was then asked: "Not only with regard to dates, but with regard to names?" He replied, "Some names."

There is another aspect of the case that must be looked at. Was this witness, who the police relied on for the majority of these charges, identifying individuals, saying that these individuals were involved in these cases when, in fact, it was not his evidence but evidence given to him by the police? Was he giving evidence under oath about dates that he did not remember, but dates given to him by the police—and finally places? You can imagine, Mr. Speaker, that in a criminal charge the charge must specify names, places and dates. A criminal charge must be specific and relate to one occurrence.

Of course, in many of these sex cases involving young children that can be very difficult, because they take place over quite a period of time. But, this youth was going into court and giving this type of evidence.

In the case here, Mr. Speaker, after giving his evidence under oath, the charges

against the accused were withdrawn. But his name has been published all over the place. The charges were withdrawn, but he suffered for about a period of a year.

There are other allegations made by the police and made against the police. There are allegations, for instance, as far as the courts. The police would say to this young individual, "You are going to have to identify a couple of individuals," and he'd say, "Well, I don't think I can identify these individuals." You say: "Sure you can identify these individuals involved; you will see them sitting in the front row of the courtroom and they are wearing a suit this colour and glasses and they are this tall. Now you identify them."

These are allegations made not just by people who have something against the police, but by responsible defence counsel, and rightly so, the defence bar in Ottawa are concerned about this practice. That's the role of the police. You have to look, for instance, at the role of the Ottawa General Hospital and ask yourself, first of all, "Was this main witness treated for a year by a psychiatrist even before the police knew and the Crown attorney knew?" Yet these people were proceeding with the charges without knowing in fact the capacity or the veracity of the evidence given by this witness.

Once the Ottawa police knew and the Crown attorney's office knew, what did they do about it? Did they continue with the charges? It would appear that they did in fact continue with some of these charges. But more disturbing, psychiatrists subsequently came into court and gave evidence that the evidence of this youth was unreliable. He had suicidal tendencies. In fact, the witness in this case was charged with a criminal offence and charges were withdrawn against him because it was thought he did not have the mental capacity to understand the charge. Psychiatrists came into court and gave evidence that his evidence for all intents and purposes was unreliable, but at the same time they were giving evidence about a Crown witness—this young man—and they were treating somebody he accused.

Can you imagine the awful conflict when these psychiatrists would be coming into court giving evidence as to the fitness or the veracity and the weight to be given to the evidence of this young man when at the same time, they were treating somebody accused? Surely there is a conflict there that should not be allowed to happen in these cases. It would appear as well—and these are allegations made not only by the police but by some of the counsel representing the

police—that in this case, it seemed the psychiatrists who were treating the youth and treating some of the accused were exchanging transcripts with some of the defence counsel. So you could see the awful can of worms that was involved in this case where the transcripts were being exchanged.

Finally there is the role of the Crown attorney in this case. Did the Crown attorney acquiesce to the fact that they were proceeding with all these charges, involving so many people, with just one complainant? They should have realized that at some time this complainant could not bear the burden and could not take the pressure of going through all these preliminary hearings and trials and in fact in many of these cases, this is what is happening. Not only was there a trial but there was a preliminary hearing, so the process was double.

One has to ask the question about the role of the Crown attorney. Why were there four Crown attorneys involved in this? How can you have any continuity to charges when you've got four different Crown attorneys negotiating with different defence counsel? You end up getting different results. Finally, what was the role of the Crown attorney with the police in all of this? It is frightening to think of some of the results that happened in this case.

For instance, on the evidence of this youth, which has been deemed to be unreliable or for which charges have been withdrawn against some of the accused, some of the accused have been convicted. As one of my colleagues has raised here in the House when we asked the minister about it, they were convicted—and when you want to look at conflicts—convicted by a judge who was the chairman of the Ottawa Police Commission. Another conflict situation.

So finally when pressure started building on this, the Attorney General or the Solicitor General caused the OPP to have an investigation on it. The OPP officer was one Casey Catwall and he investigated especially the allegation made by Mr. Duthie, who was one of the accused and a former press person involved in the press gallery in Ottawa. Subsequent to the investigation, two police officers in Ottawa were charged with assault causing bodily harm against Mr. Duthie. I don't want to talk about that case because that's presently before the courts and that's just one aspect of the case.

[10:15]

I do say that the problem with the OPP investigation is that it seems to have focused just on the conduct of the Ottawa police and it seems to me we should have looked at the

whole activity in this case—we should have looked at the role of the press, we should have looked at the role of the Crown attorney and the Ottawa General Hospital. Not only was it focused but it was not public. When I asked the minister to release the report of the OPP he refused to do so.

The only way to deal with this type of problem, the only way the administration of justice can satisfy the public of this province that there has not been a serious breach of justice against some of these individuals, a miscarriage of justice, is to have a public inquiry. It should be an inquiry which will let the community of Ottawa know, first of all, what brought on the charges, and once the charges were brought and considering the publicity that was received, what happened, where did the breakdown take place and what went wrong? I think this public inquiry should look at all aspects of this and not only the role of the police, which was just one aspect of this case.

I intend to raise the matter again with the Attorney General (Mr. McMurtry). I'm not very satisfied with the response that I've received so far from the Attorney General and from the Solicitor General (Mr. MacBeth) in this case. He keeps talking about the fact that the two police officers have been charged, and I say to him that's just one narrow aspect of this case. There are other aspects of the case. The ironic part is that the Ottawa police and the defence counsel association of Ottawa would welcome a public investigation in this case. I don't see why the public of Ottawa is not entitled to know exactly what happened here and where the breakdown took place.

I will turn to another problem. I could deal with many involving Ottawa, but I guess I won't have time in view of the fact that I had planned to start at 8 o'clock and deal with other aspects of the administration of justice. For instance, there is the role of the justices of the peace. Just very briefly, I want to talk about the role of government, all governments across this country, and to talk basically about the attitude we must have as Canadians. If I may be presumptuous enough to talk about some of the problems that concern me about where we're going in this country and how to keep this country together, one of the things that saddens me about some of the things that are going on, not only in this province, but right across the country, is what has happened to the spirit that was established in 1967. Where has the spirit of 1967 gone, the spirit of co-operation by all citizens in this province?

I think it's important that we, as elected officials, understand that the web and the bond that keep this country together sometimes can only stand so much strain. I think it's important that this province accept the role it must play in assisting and assuring that we keep this country together. What I'm trying to say basically is that it seems to me that the leadership given in this field by former Premier John Robarts is not being carried through by the present administration. One of the areas that concerns and saddens me sometimes is that we have programmes for minorities in the provinces that work but are not given an opportunity to function.

One of these is the French immersion programme that was so successful in Ottawa but where we seemed to have created some difficulty and some delay in its functioning and in assuring its existence not only in Ottawa, but right across the province. I make these comments, just briefly while the Minister of Education is here. I'd like to say to the minister that surely the time for surveys and the time for more studies about this type of programme, French immersion, is long past.

I think there is very little question that the experiment in Ottawa was a resounding success. The reports on the English-speaking students in Ottawa who were given an opportunity to have French immersion were unquestionably beyond the wildest expectation of those who first involved themselves in this experiment. Everybody is unanimous in saying that the programme was a success. Yet I see very little evidence at this time that the programme will be expanded in other areas of this province and I really think it's unfortunate.

It's great for Ottawa but surely in this province there are other people, other students, other English-speaking students, who should be given an opportunity of learning French and learning it in that fashion? The experiment should not be limited to Ottawa. What saddens me is to see how long it takes to get the wheels grinding, to get some action by government, because, after all, education is a provincial responsibility.

I read the report of the ministerial commission on French-language secondary education back in 1971 by Tom Symons. I think he said it better than anyone in the latter part of his report when he suggested we have a commission in early 1972 to look at this question. We're still looking at it. We're still studying it and according to the minister, we have to make further cost studies to see how this programme will work across the province. It's a reflection that back in 1971 Tom

Symons was saying that this was a pressing problem. He was surprised, with the way French had been taught across this country, that we were still talking to each other. They were teaching French in those days as though it was a dead language; it was taught by teachers who didn't really understand the history of the language and very often hardly spoke the language.

I want to say that we have an experiment in Ottawa which has proven to be a tremendous success and I would hope that this government would quit stalling on this. I say, with respect, to the minister that he seems to understand the problem, he seems to want to do something about it yet there seems to be endless delay.

Keith Spicer could shout all day in Ottawa about the \$9,000 per civil servant we're wasting when we try to get them to learn French at a certain age. The fact is that education is still a provincial responsibility and this is the key province. We must accept our responsibility here and we have a wonderful opportunity to do so. We have an experiment in Ottawa which has been accepted by everyone as being a resounding success and I would like to see this programme extended across the province.

Having said this, I should make a few comments about some of the things the elected members say and why sometimes people in the Conservative Party—especially federally—have difficulty getting support in Quebec. The reason I raise this is some recent headlines in newspapers here in Ontario about some of the things that go on have come to my attention. I get back to my point about how Confederation requires understanding; it requires a bond on all people. It's a fragile bond.

It's important that as elected representatives we keep things in perspective. To give an idea of that, when things get carried away politically surely we have other things to fight about than to start trying to find some differences on the basis of language or ethnic background or religion or whatever. We should try to stay away from that.

I was saddened in 1975, in the provincial election, that in a couple of ridings—and I see my colleague from Carleton (Mr. Handleman) is here; and I say to him and to his colleague from Ottawa West (Mr. Morrow) that some of the things said in the 1975 campaign should not do them proud, really. I was concerned about some of the things which were said. There was misinformation given, especially by his colleague from Ottawa West. Some of the headlines and some of the ads

he had in the local press are surely not the type of campaign that any party or any individual of this province should run. We should not try to play on these types of issues, these differences, for political purposes.

To give some idea of what goes on in other areas of the province, for instance, I look at this headline here. This is a headline from the Lindsay Daily Post, Wednesday, May 12, 1976. It talks about a bloodless takeover by the French and says "MP's Office Forwards Revealing Material."

Mr. Lawlor: It's the same thing you said about the socialists.

Mr. Roy: Yes. I have to wonder when I see something like this and say, "What's going on? Is somebody invading the place?" What they're talking about is that the federal MP for that area, William C. Scott, is apparently bringing out information that they're moving federal civil servants to Hull. They have projects to move a certain percentage of civil servants over to the Hull side of the river in the national capital area. Somehow he sees this as some insidious plot for Quebec to take over, little realizing that this is exactly the type of action that will undermine the separatist movement in Quebec. If you want evidence of this just look at all the nationalists in Hull that were crying that this shouldn't happen.

I see headlines—"Bloodless Takeover by French"—and basically, all he's saying, or printing, is something that's been in all the press across the country; that some 60,000 federal government employees will soon be working in the Hull area. Meantime, you've got a couple of hundred thousand on the Ottawa side.

(This is exactly the type of federal programme that keeps Confederation together. How could you live in Hull, for instance, 10 or 15 years ago, and look on the Ottawa side of the river and look at all the nice buildings and on the Hull side all you had was shanties and slums and all of this and none of the federal projects were going on the Hull side? Was that fair treatment? But when the federal government starts moving in to try to correct the situation, then it happens to be a "bloodless takeover by the French," and it concerns me when I see members using just that type of evidence to see some insidious plot.

I'm not directly addressing this to members of this House, because hopefully we try to stay away from this, but I can see Joe Clark's dilemma. When he goes into Quebec City and says something like, "French-speaking

Liberals who suggest that Conservatives have an anti-Quebec bias are 'unscrupulous opportunists,'" I can see where he'd have problems denying what the Liberals say when some of his members are going across the country trying to get headlines out of something that is so innocuous or so fair as what is happening in the Ottawa-Hull area.

I bring it to the members' attention and say that politics are fine—and I think members of all parties are quite prepared to get involved in an issue—but surely there are sufficient issues in this province—and in fact I suppose there are enough differences between parties that we can get involved in the election—that we can involve ourselves in issue discussions without having to try to split the country. I think it's incumbent on people who are leaders of the community, as we are, to stay above this type of thing.

I must say I'm favourably impressed by all members of the House; that by and large, we do. But occasionally when you see a headline such as this, I think it's important that the point be made that we certainly don't try to encourage people to see differences in people or try to get votes out of something as innocuous as what is going on in Ottawa-Hull and try to get that type of headline. Surely we have better things to do, and I think there are more things that keep us together than separate us.

Hon. Mr. Kerr: You need a new sewage plant in that area.

Mr. Roy: That's right and we've said it.

Mr. Nixon: They needed that since you were minister the last time.

Mr. Speaker: Does the hon. member have further remarks to make? Order. Order, please. Does the hon. member—

Mr. Roy: I can close on this; as you know, I try to keep my speeches flexible depending on the time that's involved.

Mr. Cassidy: Just like your principles, eh?

Mr. Roy: Well I've got some, and that's more than we can say about you.

Mr. Cassidy: I have often been accused of having too many, not too few.

Mr. Roy: I suppose my colleague from Ottawa Centre can talk on ad infinitum, but God knows, tonight he can't because he's got five minutes. Is that what he's got? He's going to have problems there.

In closing, I do want to thank the members for the opportunity of expressing some com-

ments and I hope that I'll have opportunities during the estimates of raising some of these matters involving justice in this province.

Hon. Mr. Wells moved the adjournment of the debate.

Motion agreed to.

Mr. Speaker: As announced earlier this afternoon, we have two matters to deal with at the close tonight at 10:30. Under section 27(g), I've received notice from the member for Ottawa Centre and the member for Durham East of their dissatisfaction with certain answers given during the question periods. I now deem, under section 28(a), that a motion to adjourn has been made. I'll call on the member for Ottawa Centre who has five minutes to explain his position.

[10:30]

RENT REVIEW PROGRAMME

Mr. Cassidy: I will try to be very direct. In the rent review bill which was passed last December, we had a bill the NDP thought was strong, progressive and fair. But there is now an increasing number of reports coming to us, as the number of review hearings increase, that indicates that the bill is not being administered in the spirit in which it was passed.

When I raised this matter in the House last Thursday, and I believe this was the first time we had raised the question of the fairness of rent review, I asked the minister whether he thought that the procedure was biased against tenants and he said no. When I asked some specific questions, the minister's reply, which I am not satisfied with, was as follows:

He said with regard to the cost revenue statement that it is available to all the tenants to examine and they can take whatever information they want from it. However, section 7 of the bill specifically says that the parties to the hearing shall have an adequate opportunity of knowing the issues in the proceedings and presenting material and making representations on their behalf.

The parliamentary assistant to the minister has suggested he sees nothing wrong in making tenants go the old quill-pen route of the 19th century and copying everything down by hand when we have modern technology that allows this kind of information to be made available to tenants with ease through photocopying process. At a nickel or a dime a sheet, there is no objection on their part to paying. It seems to me that the refusal to allow that indicates a paranoia about confidentiality on the part of the ministry and also

indicates a complete disregard for the will of the Legislature.

The House directed openness. The Conservative convention seems to want openness now as well. The will of the Legislature, if not of the Conservative Party, should not be ignored by regulations; yet we have information bulletin I(6) which specifically prohibits any photocopying to be allowed by rent review personnel for other than their own use. The consequence is that the rent review officer and landlord are guaranteed the right to have this material in the hearing and the tenants are not. They may have it if it is copied out by hand, if they could get in and had the time and so on, but they are not guaranteed that they can get it with relative ease.

Secondly, the minister said he doesn't accept the allegation that tenants are being harassed and denied the right to speak at hearings and he would like to have specific examples. I don't want the minister to get up and say those are isolated examples. I have a number of specific examples. There is Mr. McKeown in York. I will quote from the mother of a tenant who was involved in a rent review hearing. She says Mr. McKeown "treated the tenants in a very patronizing way; told them to sit down; to stop talking or he would put them out; to shut up; that this was the worst meeting and the worst bunch of people so far." Yet the same rent review officer was able to identify the landlord's agent by name.

Here is a case at 10 St. Dennis Dr. Bill Finch was the rent review officer. The quote we had from the tenant was: "This rent review officer was so anti-tenant and so rude that people walked out part way through. One tenant asked several questions about snow removal processes and so on. The rent review officer said: 'One more question from you and I will throw you out.'"

This is a rent review hearing on the Oakburn Place complex, 1135 Leslie. It was held Tuesday, May 11. The tenant said the apartments were small and on Highway 401 and therefore rents had been traditionally low. The rent review officer said he didn't care if he lived in a tent right on the 401. It doesn't seem like an impartial hearing to me.

Next, this was a hearing in Mississauga. The landlord arrived with his material in hand. The rent review officer asked why it hadn't been filed. The landlord said the stuff must have got lost in the mail. The hearing proceeded. The landlord's explanation was accepted. The physical setup was certainly not fair to tenant and landlord. The land-

lord was at the front facing the tenants and alongside the rent review officer and the tenants were facing these people. That does not suggest impartiality on the part of the rent review officer.

In a case in Richmond Hill, the landlord's material was not filed in advance of the hearing. The rent review officer overruled the tenant's objection because the landlord had brought material to the hearing with him. The hearing spent an hour listening to the landlord attack the tenant. The tenant had to ask before he was allowed time. He had only 15 minutes during which he had constant interruptions from landlord and no control from the rent review officer at all.

There are many many other cases I could give. The point I am making is that the experience we are having is that rent review officers, whose background is mainly from private business, are acting in a way which is biased against tenants and that has got to stop if the government is going to make rent review credible.

Mr. Speaker: Thank you. The hon. minister has five minutes.

Hon. Mr. Handleman: Mr. Speaker, I don't think I can cram into five minutes the number of words that the hon. member has managed to do. I don't have a written reply prepared to read into the record. But I do want to protest the kind of rhetoric that the hon. member has been using in trying to stir up a kind of class warfare reminiscent of the coal mine strikes in Wales in 1925. This is 1975; this is not an adversary system. I knew the member was on the late show, but I didn't know we were into repeats that quickly—because we just heard the same argument less than a couple of hours ago.

The hon. member can bring out all of the horror stories—and I think he and his party have made a career of gathering horror stories, and making them appear to be the rule rather than the exception. I would like to read just a few headlines, not horror stories. From the *Toronto Star*: "Landlord Told To Roll Back Tenant Rents." Another one from the *Toronto Star*: "Tenants Protest Rental Hikes Of 50 Per Cent In Scarborough"—with the rent review officer telling the landlord that he is completely off-base in making any such claim. Another: "Landlords Make Most Appeals Against Rent Review Boards."

If the tenants are so very unhappy, where are they when it comes to appeals? They are happy with the decisions on rent review, and they know it is working for them.

Another headline: "Landlord Told To Lower Rent In Etobicoke." The rent review

officer told him in no uncertain terms that he had to lower the rent. In many cases landlords have been told to shut up and sit down. That's the kind of decorum I think the member for Ottawa East has suggested for the courtroom whenever there is disorderly conduct. That is what is happening in many cases.

The activists in the tenant movement are being instigated by the hon. member. They are being encouraged to take confrontation tactics, rather than negotiate for the clear, calm compromise that can be achieved.

Mr. Cassidy: That is not true, Mr. Speaker. There are unsolicited things coming in.

Hon. Mr. Handleman: I would like to say, Mr. Speaker, that we have been told by the Federation of Metro Tenants' Associations that they have been discriminated against in appointments to the rent review board. I want to deny that right now, and say that many of their nominees have been named. Unfortunately, some of the people in the movement have failed to forward application forms on to the very people they nominated. We have nominated a number of people from tenants' associations, and will continue to do so, provided they have all the qualifications.

When the hon. member says they are people from business, I don't know where on earth you get people with accounting skills, property management skills, except from the business sector. Twenty per cent of our rent review officers are tenants themselves. They live in apartments, they know the experiences, and they are certainly not biased against tenants.

Mr. Speaker, if you think the tenants are discriminated against, I would just like to read a few sentences from a communication received from a gentleman who represents a number of small apartment owners. He says:

I refer to the NDP housing critic, who when talking about rents claimed that rents were too high for the average family in Ontario. Now that he himself is asking for a raise, he is claiming that the average family income for Ontario is over \$375 or \$19,500 per year. That average income would enable the average family in our region to pay more than double the average rent being asked in our region. It is obvious the NDP has two sets of facts; one they use when they try to keep down rents, and the other when they ask for more money for themselves. I think that should be explained to the tenants.

RADIOACTIVITY AT PORT HOPE

Mr. Moffatt: This afternoon I asked the Minister of the Environment what involvement his ministry had had with regard to the establishment and control of the waste material dump at Port Granby in the municipality of Newcastle. The minister responded that there was a committee which involved the federal Atomic Energy Control Board, his ministry, and various other agencies.

The reason I object to the answer, Mr. Speaker, is because yesterday in the *Globe and Mail*—

Hon. W. Newman: You wanted to make a speech; that's the only reason.

Mr. Moffatt: Yesterday in the *Globe and Mail* a story was printed in which the Port Hope representative of the Atomic Energy Control Board stated that in this particular issue at Port Granby they are bystanders. They have no involvement at all.

With the impending removal of 100,000 cubic yards of material in the Port Hope area, and the fact that the Port Granby dump is now almost filled to capacity, and the fact that approximately 550 acres of additional land has been optioned by Eldorado in the Port Granby area, with the supposed purpose of establishing a larger and more efficient dump, seems to me that the Ministry of the Environment in this province, under the minister, should really be doing a heck of a lot more than just trusting the AECB. It seems to me that we got into trouble in Port Hope 30 years ago and again in the last 10 years through that kind of misplaced trust in the Atomic Energy Control Board.

Frankly, I trust those people not at all. The people in the Ministry of Health, I think, have come to the same conclusion that that particular agency of the federal government does nothing at all. When it has rules it allows them to be broken and when it doesn't allow them to be broken it simply ignores the rules and wipes them aside. I don't think that in this province and in the municipality of the town of Newcastle we can at any point tolerate the kind of spread of that sort of dumping practice which has been carried on by Eldorado under the supposed supervision of the Atomic Energy Control Board.

Since the Hope township council has passed a resolution expressly asking that no more dumps be established in its particular municipality — in your own riding, Mr. Speaker—and the town council of the municipality of Newcastle has tried to get an injunction against Eldorado to prevent it from

dumping this material, it seems to me that the Ministry of the Environment should have a far better answer than that. Given the minister's past performance, I think he himself would like to have a better answer than that.

I have come to hold the minister in some regard for some of the activities he has involved himself in and the way he has interjected his ministry into the activities of some people. It seems to me that if there ever was a case in which this kind of activity by the Ministry of the Environment was needed, it is in this particular instance.

Hon. Mr. Kerr: Mr. Speaker, I don't want to give the impression that I am belittling or not taking seriously the concerns of the hon. member. We certainly also recognize the concerns of the citizens of Port Hope over this whole problem.

The article to which the hon. member refers is one that I have had noted as well. All I want to say is that if the words of Mr. Blackburn are reported correctly, what he has said is just nonsense. It is not up to Eldorado to decide where the radioactive material will be dumped; the choice of a site will not be that of the company alone or the federal agency alone.

As I mentioned in my answer as a result of the whole problem surrounding the removal of the contaminated material, because of the necessity of having a proper site and because of the very nature of that material, it is going to get worse before it gets better. I am sure the hon. member knows that. My deputy minister wrote to the president of the Atomic Energy Control Board and pointed out that it is the responsibility of AECB and Eldorado to find a proper acceptable site.

However, we offered our services. My deputy minister offered to act as chairman of a working group which, as I said this afternoon, is made up of representatives from AECB, Environment Canada, Health and Welfare Canada, as well as the company, the Ministry of Health and the Ministry of the Environment of the Province of Ontario.

That working group has held one meeting already. It holds another meeting this week and hopefully the whole question of a site can be resolved.

I am disturbed about some of the things I have read not only in the newspapers but in the minutes of these meetings. There seems to be almost tunnel vision as far as an appropriate site is concerned. Why should it be necessarily on the shores of Lake Ontario? Why should it be around Port Hope? Why

shouldn't it be at some abandoned army site or air force installation? It can be anywhere in Canada.

[10:45]

I might say this is a federal problem from the point of view that it is a federal agency which has created the problem. As the hon. member has said, there hasn't been too much supervision during the past few years, but hopefully with the timetable and the schedule and the urgency involved, that working group will assist Eldorado and the AECB to find a suitable site.

Dealing with the hon. member's remarks, it is not just up to the company or to AECB where that site will be. Unfortunately, because of the powers of the federal agency, and of the federal government through its powers of expropriation, we can't require them to hold a hearing as far as the selection of the site is concerned. But it has been indicated by the company that it wants to have public participation, that it is prepared to have public hearings, and that it wants the approval of municipal authorities as well as provincial authorities. The company has said that.

I hope the AECB feels the same way, because in my opinion there is no municipality in the Province of Ontario that wants this stuff. It's just as simple as that, and we have pointed that out to Dr. Prince and to AECB. Even Newcastle, as the hon. member knows, has changed its mind; refinery or no refinery, it just doesn't want the stuff, so that of course is obviously going to be the feeling all over this province, and all over Canada, I'm sure. I mean, who wants Ontario's waste?

It is going to be a problem. The present site is scheduled to close the end of June. We've got to find something by the first of July. It may take longer than that. The removal process from Port Hope is going to take two or three years. We have some problems ahead of us, but all I want to say to the hon. member is that our ministry will be involved and the province will be involved, as well as the other ministries that I've mentioned.

Mr. Speaker: I deem the motion to adjourn to have been carried.

The House adjourned at 10:50 p.m.

CONTENTS

Tuesday, May 18, 1976

Residential Premises Rent Review Amendment Act, reported	2419
Niagara Escarpment Planning and Development Amendment Act, reported	2442
Budget debate, continued, Mr. Roy	2443
Motion to adjourn debate, Mr. Wells, agreed to	2441
Debates re answers to oral questions, Mr. Cassidy, Mr. Handleman, Mr. Moffatt, Mr. Kerr	2441
Adjournment	2444

SPEAKERS IN THIS ISSUE

Bernier, Hon. L.; Minister of Natural Resources (Kenora PC)
 Bounsall, E. J. (Windsor-Sandwich NDP)
 Breithaupt, J. R. (Kitchener L)
 Bullbrook, J. E. (Sarnia L)
 Cassidy, M. (Ottawa Centre NDP)
 Drea, F. (Scarborough Centre PC)
 Foulds, J. F. (Port Arthur NDP)
 Good, E. R. (Waterloo North L)
 Haggerty, R. (Erie L)
 Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
 Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
 Lawlor, P. D. (Lakeshore NDP)
 Makarchuk, M. (Brantford NDP)
 Moffatt, D. (Durham East NDP)
 Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Reid, T. P. (Rainy River L)
 Renwick, J. A. (Riverdale NDP)
 Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)
 Roy, A. J. (Ottawa East L)
 Samis, G. (Cornwall NDP)
 Shore, M. (London North L)
 Sweeney, J. (Kitchener-Wilmot L)
 Warner, D. (Scarborough-Ellesmere NDP)

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Third Session of the 30th Parliament

Thursday, May 20, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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CONTENTS

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LEGISLATURE OF ONTARIO

THURSDAY, MAY 20, 1976

The House met at 2 p.m.

Prayers.

QUESTION PERIOD FORMAT

Mr. S. Smith: On a point of order. With regard to the question period, Mr. Speaker, I have the feeling the purpose of the question period in some ways is being undermined by the length of time we as the leaders have been taking with our leadoff questions. It seems to leave very little time for the other members.

Mr. Yakabuski: Apologize.

Mr. Speaker: Order, please.

Mr. S. Smith: I wanted to make a constructive suggestion that in order to keep within the meaning of the question period and its purpose, the leaders should confine themselves to two leadoff questions each and the rotation should start after that so that if we had further questions we could get in on the rotation in the way other members do. It would open the opportunity for other members of the House to bring up matters of particular interest to their constituencies. Perhaps you would like to consider that.

Mr. Lewis: On the point of order, Mr. Speaker, as you well know, the New Democratic Party suggested that some time ago, before the 1975 election.

Mr. MacDonald: Ten years ago.

Mr. Lewis: It was not possible at that time.

Mr. Nixon: You suggested one question, I think.

Mr. Lewis: No, I don't think so; but that aside, I gather that's the recommendation which is flowing from the select committee. Any such recommendations will obviously be acceptable when they come in and we will try to hold to it until then.

Hon. Mr. Davis: Mr. Speaker, I want to make our position abundantly clear: We will let the people across the House sort that out.

Mr. Nixon: When are you going to start answering questions?

Mr. Speaker: As far as Mr. Speaker is concerned, I am awaiting the recommendations of the select committee, but I think we can all keep in mind the thoughts the hon. member for Hamilton West just put forward. It bothers me, of course, any time more than 10 minutes is taken up by the two leadoff questioners. At the same time, it is not always their fault, because there are too many supplementaries. This is what the cause of it is, you see, so I think if we all try to exercise a bit of self-discipline we will have a very good question period.

Statements by the ministry.

QUEBEC-WINDSOR RAIL CORRIDOR

Hon. Mr. Snow: Mr. Speaker, I have just received a telegram today from the Hon. Otto Lang, Minister of Transport, and I quote:

In my statement in the House of Commons on Jan. 29 last, I indicated that I would announce, in the near future, plans to improve the railway passenger service in the Quebec City-Windsor corridor.

For your advance information, an announcement will be made shortly to the effect that, as a first step, the Quebec-Montreal section of the corridor will be developed with approximately \$30 million being spent over the next three years. CP Rail will operate the service on this route.

This money will be spent on items such as acquiring new modern trains, straightening curves, laying heavier rail, improving signals and maintenance facilities, etc.

I would like you to consider this announcement as the first step toward a gradual improvement throughout the corridor. I hope to be in a position to make a similar announcement about the Toronto-Windsor section in the near future.

I would also like to thank your officials who have contributed to the work done so far and I would appreciate your con-

tinued co-operation so that our efforts can bear results in the near future.

This statement today by federal Minister of Transport Otto Lang, indicating Ottawa's intent to determine the impact of modern high speed rail service between Quebec City and Montreal has left me, to say the least, disappointed.

As recently as Jan. 29—

Mr. Stokes: You can appreciate how we feel in the north.

Hon. Mr. Snow: —as Mr. Lang himself noted, he publicly stated that his government had reaffirmed an earlier approved-in-principle reference to former minister Jean Marchand's major statement on national transportation policy—that the federal government was prepared to carry out a demonstration project to determine the feasibility and impact of frequent high-speed runs in a Quebec-Windsor corridor.

At that time, Mr. Lang stated emphatically that his ministry had already begun discussions on potential improvements with Ontario and Quebec and the carriers. He added then that he hoped to announce shortly the details of the plan which would see new equipment operating at higher standards by 1979.

These federal initiatives were greeted with considerable enthusiasm by myself and my ministry because we, too, recognized the opportunities that existed, particularly in the Toronto-Windsor segment of the corridor, and we felt that as a result of the proper integration of new passenger transportation modes, we could tie an efficient and economic passenger system serving all the western counties.

In addition, this potential reassessment of passenger transportation would have permitted us to redress the problems created by the discontinuance of rail services in the Grey-Bruce area in 1970.

Now, today, we have been told that the initial efforts will include only the Montreal to Quebec City portion of the corridor.

Mr. Lang's statement, flying in the teeth of the fact that the Toronto-Windsor segment serves the densest-populated area with the highest economic potential along the entire length of the originally proposed corridor, as I stated earlier, leaves me very disappointed.

In my dealings with Mr. Lang I have found him to be most co-operative. He also appeared to be truly interested in pursuing improvements in this very important section of the corridor. Therefore, I can only interpret his telegram to mean that the same enthus-

iasm was not shared by his colleagues in the federal cabinet.

Although Mr. Lang refers to his hope for the future improvements in the Toronto-Windsor section, it appears it has been excluded from receiving any special assistance until the completion of the Montreal-Quebec City link.

Until this sudden announcement, we in my ministry had been under the impression that in this particular area we were working hand-in-hand with the Ministry of Transport searching for a common answer to what is a common problem—the lack of modern, high-speed passenger modes which, by 1979 or even 1980, would be in motion to counteract the potential effects of any energy shortfalls.

We had felt that the original demonstration project, covering the Quebec City to Windsor corridor, was of prime importance to both governments and that ultimately the results could determine the direction government investment in public transportation would take.

For this reason alone, I cannot understand Ottawa's action at this late moment. In the light of what I have revealed, I can tell this House that it is my intention to ask Mr. Lang for a minister-to-minister meeting as soon as it can possibly be arranged. I shall ask the Minister of Transport to reconsider his decision, and to define what he meant when he said he hoped to make the announcement in the near future on the Toronto-Windsor section. Does the near future mean at the completion of the Quebec City to Montreal project or does it mean within the next few months?

Mr. Speaker: Oral questions.

OIL PRICES

Mr. Lewis: Yes, Mr. Speaker, in the spirit of phasing things in, I'll try three questions today en route. May I ask the Premier, first, in regard to oil prices, is this it? Is Ontario now just throwing in the towel? Do we take the clouting administered to us without responding, or is he prepared, in the absence of any information at all to show that the additional money the oil companies will receive will go to exploration and development, to draw the line and say, no further increase until we have their books and costs open to the public?

Hon. Mr. Davis: Mr. Speaker, obviously that would be a matter for the government of Canada.

Mr. Deans: No.

Mr. MacDonald: No.

Mr. Lewis: Why?

Hon. Mr. Davis: I would say to the Leader of the Opposition—I did notice his comments yesterday—that Ontario has not agreed to the increase in price. I made this abundantly clear at the meeting of the first ministers—

Mr. Bain: What are you going to do about it?

Hon. Mr. Davis: —and I made it clear in terms of our reaction when the first minister informed me late Friday afternoon that these were perhaps the figures which were going to be suggested, although they had not been confirmed by the other provinces.

I should point out to the Leader of the Opposition that the price is set by the producing provinces and the government of Canada; the other provinces of Canada obviously have been asked for their points of view. We expressed our point of view and our concern. We did it very vigorously and we were really faced with not a pre-decision on the part of the government of Canada but a very clear indication that the price was going to go up.

I then argued that if this was ultimately going to happen, I thought the maximum which could ever be explained to the public would be within the constraints of the AIB. While I am not at all enthusiastically endorsing the increase in price, we argued strenuously for a number of reasons against it. We suggested a formula which we think would have been more logical and easier to understand—a much better rationale—which didn't receive any support in this House from either party.

While I am not content, the figures which have been arrived at and the staging certainly are more acceptable than those asked for by the producing provinces—there's no question about that—and it is much better than the stated policy of the government of Canada that it would ultimately wish to go to world prices.

I would say that this government has communicated in every way possible its concern as to the potential impact on the consumers and the economy of this province. The government of Canada, in its judgement and in its wisdom, has determined that there will be \$1.05 on July 1 and 70 cents on Jan. 1 next. I do want to emphasize this—because it gave me additional concern—the Prime Minister of Canada has assured me, and I accept his assurance, that there has been no commit-

ment for a further price increase in the calendar year 1977.

Mr. Lewis: Wait and see.

Hon. Mr. Davis: This does not preclude—I'm trying to stay within the spirit of being a little more or less non-controversial or what have you, and not to take any more time than necessary.

Mr. Deans: That's just as well.

Mr. Speaker: Order, please.

Hon. Mr. Davis: I'm pointing out that I think it has some relevance. As I say, I have accepted the Prime Minister's assurance that there is no commitment but this obviously does not preclude the producing provinces from asking for more, depending on world price.

[2:15]

In terms of the other aspects of it, Mr. Speaker, that have not been overlooked but perhaps have not received the same attention, I guess Ontario, probably apart from Manitoba, one of the prime users of natural gas as an energy source, very forcefully adopts the position that it should not be indexed beyond the existing 85 per cent. This argument, Mr. Speaker, was accepted by the government of Canada. And natural gas, while it is still indexed to whatever the cost of crude is, is still remaining at the 85 per cent figure, which I think is a more realistic approach than that which was being suggested by the producing provinces, and probably by the government of Canada.

Mr. Lewis: Mr. Speaker, by way of supplementary, can the Premier not direct Mr. Isbister, chairman of the Petroleum Products Pricing Commission, to insist that the statistical and financial information given to him in camera by the oil companies be made public? Does the Premier not think the Province of Ontario, held to ransom, has a right at least to know what the costs are which are incurred that lead to the price which is set, particularly in northern Ontario?

Hon. Mr. Davis: Mr. Speaker, I have every sympathy for the problem in northern Ontario. And I would only say this—

Mr. Foulds: We need more than sympathy; we need some action.

Mr. Stokes: There is a 19-cent differential.

Hon. Mr. Davis: —that in northern Ontario, while there is this differential—we acknowledge it, and Mr. Isbister is going to be directing a part of his overall recommendation, I

assume, hopefully to recommendations related to this issue—it is still within the broad context of the price increase generally for crude oil in the Province of Ontario.

I would be prepared to speak to Mr. Isbister. I would doubt whether he would, on the basis of the information and the way it was provided, be in a position to do this; but I will have a word with him on it.

I should also point out, Mr. Speaker, that there is a tendency to over-simplify this particular issue. One of the points we made, and it really related to the formula—which, once again I point out, neither party opposite really gave much encouragement to—was that money provided by the taxpayers and consumers of Ontario would be far easier to understand if, in fact, it were going towards the development of new supplies for the people of Ontario; because, let's be very honest about it, we want that exploration and development.

I am encouraged by the statement which was made by the Prime Minister during the meeting—and I think there was some reference to it Tuesday night—that the government of Canada would be establishing a monitoring system to see that the funds that were made available to the companies went into exploration and development.

Mr. Lewis: Only half of that.

Hon. Mr. Davis: Now I know the Leader of the Opposition will not approach that with the same degree of optimism as expressed by the Prime Minister of Canada, and this may represent a certain philosophical difference—I am not sure of that some days, but it may—but I think we can be encouraged by the fact that the federal government with this increase is, in fact, going to monitor the moneys that are going to the companies and what amounts are being allocated for exploration and development.

While I can't give you the sense of what the other first ministers of this country think, Mr. Speaker, my guess is that if they are not satisfied, or the government of Canada is not satisfied, that the additional funds going to the companies are going into exploration and development, I would be very surprised if the government of Canada didn't reconsider its position and rather than having it on, shall we say a monitoring or informal basis, whether they are prepared to look at some other alternative. I think we can at least draw some encouragement by this limited initiative by the federal government to see that the companies are, in fact, putting the additional funds into exploration and development.

Mr. Lewis: One could call it a partial victory.

Mr. Shore: Supplementary: Could the Premier tell us to what extent the recent increases have had an effect on the budget of the Province of Ontario, and to what extent these things have been taken into consideration in future planning?

Hon. Mr. Davis: Mr. Speaker, I am not making a case for the oil companies, although I do hold the view, and I hold this in a very practical way, that while the Leader of the Opposition may—and I respect this philosophical difference—feel that the public sector or government can more effectively get the resources out of the ground or wherever, I would really shudder to think that our dependency on future supply related to the effectiveness of government of getting totally into the business.

Interjections.

Mr. Speaker: Order, please.

Mr. Lewis: You haven't done very well with the private sector, have you?

Hon. Mr. Davis: The other point we were talking about regarding the oil companies, Mr. Speaker, that about 70 per cent of the increase is going by way of tax or royalties to the producing provinces and the government of Canada.

To deal with the question from the member for London North, I talked to the Treasurer (Mr. McKeough) yesterday. We had a discussion as it related to the increase. I think I can quote the Treasurer with some degree of accuracy, although he may be here later to speak to it himself.

We do not envisage any alterations to the budget nor do we feel that in terms of the budget itself it will have any significant impact. I'm talking about the budget, the question of revenues and the question of the economic forecasts, although I do re-emphasize, and I don't want to minimize this, that we sense the economy is in a form of recovery, there is some sign of improvement.

I made the point very clearly to the Prime Minister of Canada, and in fairness to him I think he sensed this as well, that there is no question the increase in energy cost is going to have something of an inhibiting effect upon the economic recovery presently under way. This was one of the basic reasons for our argument. But I would say to the member for London North, in terms of the budget we don't believe it will require any alteration, nor

does it affect basically the budget position that has been taken.

Mr. Shore: Could I assume, therefore, when planning the budget, the Treasurer assumed there was going to be an increase of \$1.75 to \$2 in the oil prices?

Hon. Mr. Davis: I don't know that the Treasurer assumed a particular increase. I think the probability of an increase taking place was obviously there. There is no question that various figures were being suggested. There was no question there was the statement of the government of Canada that it wanted to move to world price and that the \$2 figure on July 1 at one point appeared to be a very real possibility.

While I do not want to be construed as being pleased with the results, because we were opposed to this size of an increase, I would have to say that \$1.05 on July 1 is a lot better than \$2 on July 1; I mean it is 95 cents better. The 70 cents which is being staged to come into effect on Jan. 1 is still better than \$2 on July 1. If all of us can prevail on the government of Canada to look at this rationally next year and say to the producing provinces that they have had enough, that the 70 cents is the total increase that can be anticipated in 1977, that too would be somewhat encouraging, although I do not want to be construed as saying I am in agreement with this price increase, because the government is not.

GUIDELINES FOR RENT REVIEW OFFICERS

Mr. Lewis: I have a question of the minister of Consumer and Commercial Relations. Given the finding of the divisional court that the rent review officers behaved illegally in the granting of rent increases where insufficient notice had been given, is the minister prepared to instruct rent review officers right across the province that they are not to take hearings where the time of notice is inadequate?

Hon. Mr. Handleman: I have just received the written judgement of the court on that. My very brief reading of it does not indicate there is any such suggestion the rent review officer acted illegally. The suggestion was that he had no jurisdiction under the circumstances prevailing in the case before the court. I think we will have to wait until we have had a chance to study the written judgement of the court and consult with the Attorney

General (Mr. McMurtry) as to where we go from here.

Mr. Lewis: By way of supplementary, if therefore they acted legally without jurisdiction—an interesting piece of behaviour that—can I ask the minister why he does not simply inform all rent review officers that the terms of the Act require notice, and if the notice is not given they should not hear the case?

Hon. Mr. Handleman: If our review of the judgement indicates that that is the course to follow, we certainly won't hesitate to follow it, but at the moment we haven't completed our review of the judgement.

Mr. Cassidy: Supplementary: Can the minister then explain, in view of that reply, why his officials have instructed tenants whose rent review hearings have already taken place, and which may have been illegal in view of this ruling, to go to the courts for redress rather than getting redress from the ministry?

Hon. Mr. Handleman: I'm not aware of that suggestion being made to anyone. When the case was first brought before the court, a question was asked in this House by the Leader of the Opposition and I told him that we would abide by the finding of the court. We are still consulting with the Attorney General on that.

STUDY OF ONTARIO PSYCHIATRIC HOSPITALS

Mr. Lewis: Mr. Speaker, to the acting Minister of Health: Is there any special effort being made, as she reviews the mental health apparatus in Ontario, particularly with regard to psychiatric hospitals, to give the kind of support services in the community which could begin to diminish the re-admission rates in those hospitals, which I gather are running at 50 per cent or better in Whitby; 50 per cent in Hamilton; and 62.5 per cent for the first three months of 1976 at the Queen St. Mental Health Centre?

Hon. B. Stephenson: Mr. Speaker, the hon. Leader of the Opposition knows very well that the Ministry of Health, in its activities in the last several years, has been moving in the direction of releasing patients from incarceration in psychiatric institutions and providing a much greater and stronger focus upon community care of patients with psychiatric or emotional illness. That is certainly the

direction of the Ministry of Health and it will continue to be. We are continuing to strengthen and fortify the services provided within the community so that that degree of readmissions may be cut down.

Mr. Lewis: Would the minister accept the observation of a senior medical person at Queen St. who says: "It is my opinion that with proper programming, adequate staffing and financing to run community-based programmes, many of numerous readmissions can be reduced; those admitted can be more adequately and sensibly treated, thus helping to reduce further the need for readmission." Can she possibly mobilize the ministry around that, given the present trend?

Hon. B. Stephenson: Mr. Speaker, the present trend is specifically in that direction and that simply echoes the view of a number of other experts in the psychiatric field who have been saying the same thing for some time. As a result of that direction the ministry has mobilized itself to move that way, to increase and improve the community care programmes.

Mr. Cassidy: Reality is much different—it is a rooming house and living on welfare; that is what you do in the community.

Mr. Speaker: Order, please. A final supplementary on this.

Mr. Duksza: Can the minister tell us whether she has changed the nature of financing the care in psychiatric hospitals from being oriented toward the bed and the bed-nurse ratio, toward being oriented to service provided in the community, as one way of moving toward what she just said she intends to do?

Hon. B. Stephenson: Mr. Speaker, the method of funding psychiatric hospitals is as it has always been. However, in many areas the psychiatric hospital is moving out of the old arrangement with the Ministry of Health and moving toward an arrangement with the local community and the district health council which will, I'm sure, provide the impetus for improved financing in that way.

ESSEX PACKERS

Mr. S. Smith: First question, Mr. Speaker, of the Minister of Correctional Services: Can he confirm that there has been a layoff at Essex Packers in Hamilton of between 200 and 300 people on an indefinite basis? If so, is this not a direct violation of the contract and

the agreement which he personally had with the people who took over the Essex Packers operation?

Hon. J. R. Smith: Mr. Speaker, I made inquiries last week. It is my understanding that the plant was closed down for a short period to take inventory; the principals have paid off the bank and receiver and they want a complete inventory before they assume full management.

Mr. Gaunt: Can the minister indicate what time period is involved here? He says a short period of time.

Hon. J. R. Smith: Mr. Speaker, the actual operation of the Essex firm in the city of Hamilton is not within my jurisdiction. The only connection is that the same management is operating the beef station at the Guelph Correctional Centre. Therefore, I have no direct jurisdiction or responsibility for the Hamilton plant.

Mr. Riddell: Considering the suspicious nature of this entire transaction, doesn't the minister think it's time we had a public inquiry into the leasing of that plant to the DeJonge brothers?

Hon. J. R. Smith: Mr. Speaker, no.

Mr. S. Smith: As either a final supplementary or a related separate question, Mr. Speaker: Does the minister not recollect that he came before this House and explained that the main reason he signed with the DeJonge Group was in order to preserve the 200 to 300 jobs in Hamilton and he had that assurance? Does this not constitute a breach of contract or a breach of that personal assurance?

[2:30]

Hon. J. R. Smith: I would like to remind the hon. member for Hamilton West that the DeJonge Group was the only firm that came forward with a proposal to the receiver last autumn, which was accepted—

Mr. Shore: No, that's not true.

Hon. J. R. Smith: —by the overwhelming number of the creditors, and he's prejudging at this point whether the firm has actually closed its Hamilton operation. I have no knowledge to that effect and, since he has raised it here this afternoon, I intend to find out exactly what is the nature and position of their operation.

Mr. Gaunt: A supplementary question: Will the minister report back to the House his findings on that matter?

Hon. J. R. Smith: Yes, Mr. Speaker.

ELECTRONIC EAVESDROPPING

Mr. S. Smith: I have a question of the acting Minister of Health. This is in regard to the report that there have been some listening devices used in North Bay hospitals.

I wonder if the minister would be able to confirm that, in fact, certain alleged criminals, or people who have been charged with criminal activities, have had their rooms bugged in the hospitals of Ontario in order to obtain information? Does she have any opinion about whether this breaches the sort of trust that ought to exist between doctors and patients, between patients and their clergymen, and also whether this is a direct violation of the civil rights of all citizens?

Mr. Ruston: Shame.

Hon. B. Stephenson: Mr. Speaker, I cannot confirm that this has happened, because I have no knowledge that it has happened. There is a report in the newspaper, which to my knowledge has not as yet been confirmed. However, I do think that hospital administrators, as all other good citizens, should co-operate with the police when it is necessary to do so; but I do believe as well that they should ensure that a court order has been issued or has been obtained for that kind of activity before any such situation should arise within an institution.

Mr. S. Smith: A supplementary: I appreciate the minister's sentiments on this, but is she not concerned, as I am, as a physician, that even with a court order we might find a situation that the sorts of conversations that are being bugged might be, for instance, the kind of confession that a patient might make to his minister, or to his psychiatrist—as has happened, I'm sure the minister is aware—or to other physicians? Although it's difficult for some of her colleagues to take this matter seriously, I think it is a very important matter and I would appreciate the minister reporting to the House a little later on whether she thinks this has happened.

Hon. B. Stephenson: Mr. Speaker, as soon as we have factual information about this specific situation we will be pleased to report.

Mr. S. Smith: I have a question of the Minister of Natural Resources. Where is he? He was right here. Oh, there he is.

Mr. Deans: This is the member's third question.

Mr. S. Smith: At least I've had the discretion, I would point out to the hon. member for Wentworth, not to address the Premier (Mr. Davis) or the Minister of Community and Social Services (Mr. Taylor) today, thus ensuring much more rapid answers.

Mr. Cassidy: You propose a rule and you break it five minutes later.

Mr. Speaker: The hon. member for Hamilton West has the floor.

PCB LEVELS IN FISH

Mr. S. Smith: Has the minister received the results of the study to which he referred in the House on April 29, in answer to my question about the PCB levels in smelt, which at that time he said was going to be known in a couple of days? Well he, in fact, issue warnings in the strongest possible terms to smelt fishermen, who as he knows at this very time are stocking their freezers with fish?

Hon. Mr. Bernier: Mr. Speaker, I have a verbal confirmation from the Ministry of the Environment, following the latest test on smelt in Lake Ontario, that the levels in those fish are much below the danger levels and that there is no danger at this point in time. I would point out to the hon. member that the harvest for smelt is past us now, but we will continue, of course, later in the year, to make sure that next year's harvest does not jeopardize those who are harvesting.

Mr. Peterson: Don't worry, Leo, they are very small.

Hon. Mr. Davis: Come smelting in Georgian Bay, there is no problem there.

Mr. S. Smith: I just have a brief supplementary on this question, Mr. Speaker. Could the minister tell us exactly what steps are being taken, as referred to in the newspaper, to close fishing for eels and channel catfish in Lake Ontario because of the high PCB levels? Can he explain why those fish happen to have high levels and the smelt in the same lake have managed to escape having those high levels of PCBs?

Hon. Mr. Bernier: Mr. Speaker, I am certainly not fully qualified to explain why one species has a high level of PCBs and the other hasn't.

Mr. Shore: That shouldn't stop the minister from answering.

Hon. Mr. Bernier: I have to take the advice of those people who are qualified, and they assure me that there is a danger in these particular species; that's the coho and the chinook salmon, along with catfish and eel.

We have applied to the federal government for a change in the regulations that would allow us to ban commercial fishing in Lake Ontario for these two species. As soon as it is received, those commercial fishermen will be properly notified.

Mr. Godfrey: Supplementary: Further to those questions, would the minister comment on the levels of PCBs in trout in West Duffin Creek?

Hon. Mr. Bernier: I didn't hear the question.

Mr. Godfrey: The ministry has issued a statement to the effect that PCBs have now been found in brook trout in the West Duffin Creek. Would the minister comment on that and say what measures will be taken in order to protect the public who fish in that region?

Hon. Mr. Bernier: Our indications are that there were a number of rainbow trout in that particular river that had high PCBs. We of course notified the general public. There is no commercial fishing for rainbow trout but we wanted to notify the public that they should be eating only a limited amount of those fish caught in that particular area and women who may become pregnant and children should not be eating that species at all.

Interjections.

Mr. Speaker: Final supplementary, the member for Essex South.

Mr. Mancini: In view of the fact that the minister is making plans to come into my riding to meet the commercial fishermen there, would he please have some information on PCBs to give to them when he comes down?

Hon. Mr. Bernier: Yes.

Mr. Speaker: Any further questions from the member for Hamilton West?

Mr. S. Smith: No; thank you, Mr. Speaker.

DRIVING PRIVILEGES OF FEDERAL MINISTER

Mr. Williams: A question of the Minister of Transportation and Communications: It has been reported in the press today that the driving privileges of the federal Min-

ister of the Environment, Jean Marchand, have been reinstated five and a half months before the expiry of the one-year suspension period. Since this is a matter that would appear to come under the jurisdiction of this ministry, I wonder whether this matter has been brought before this ministry at all?

Mr. Foulds: He lost his driver.

Hon. Mr. Snow: I believe when Mr. Marchand had his unfortunate accident it was in the city of Ottawa, within Ontario, although Mr. Marchand certainly did not at that time, or does not now, hold an Ontario driver's licence. It is my understanding his driving privileges were suspended by the court for a period of one year under the Criminal Code, not under the Highway Traffic Act. I believe Mr. Marchand must have applied to the National Parole Board for the suspension of the court order prohibiting him from driving for a one-year period.

Mr. S. Smith: As any citizen can do.

Hon. Mr. Snow: Although we did not suspend Mr. Marchand's licence, because it is not an Ontario licence, we of course recorded the suspension as the offence took place in Ontario and the court's ruling was within Ontario. On March 8, I believe, the Parole Board made a ruling suspending the order of the court, and on March 8 the registrar of motor vehicles got a telegram advising him of this suspension. On the following day a letter was forwarded from the office of the Solicitor General, confirming the order of the Parole Board.

Mr. MacDonald: Supplementary, Mr. Speaker. Is it customary to appeal to the National Parole Board for a release from a court decision in a case like this? If so, can the minister indicate when and if it has ever taken place before?

Hon. Mr. Snow: I am not aware of that. I can find out if we have any information on that. I believe—and I won't give the hon. member any legal opinions because I've not got my QC yet—

Mr. Foulds: Speak to the man to your right.

Hon. Mr. Snow: —it would be the privilege of any person convicted under the Criminal Code to make such an application. I have not heard of it happening. Our automatic suspension under the Highway Traffic Act would be for a period of six months in this particular offence, as I understand it. The one-year suspension was, at the judge's dis-

cretion, beyond the mandatory suspension. It was after the end of our mandatory suspension that the Parole Board granted the appeal. This is my understanding.

Mr. MacDonald: Can the minister report to the House on whether there are any precedents?

Hon. Mr. Snow: I will inquire of the registrar of motor vehicles whether we have had any other orders like this from the Parole Board suspending the court order.

DENTISTRY GRADUATES

Mr. Deans: Mr. Speaker, I have a question of the Minister of Colleges and Universities. It was reported in the press on Tuesday last that the minister had indicated he had personal knowledge of cases where universities had passed students in dentistry because they simply claimed that they had invested too much money in the student to fail them. Can the minister indicate, first of all, where this personal knowledge comes from and where these students are practising today? Has he reported this to the Minister of Health in order that some appropriate action might be taken to get them out of the field before they do some harm?

Hon. Mr. Parrott: I think the member might be also interested to know that was when I was on staff and that we, the staff, gave them a good deal of extra information and counselling, and when they passed they were qualified. Because the member read that in the press, he didn't hear the whole statement.

Mr. Shore: Which classification was the minister in?

Hon. Mr. Parrott: I said that we had given them additional training and, in the opinion of the staff of the faculty on which I served at that time, they were considered more than acceptable for practice.

Mr. Deans: A supplementary question in two parts: What, then, did the minister mean when he said that the decision was that the college or university had invested too much money in them to fail them? Secondly, is he satisfied that that practice no longer is carried on in the Province of Ontario and that in fact people who emerge from universities are qualified to conduct the business of dentistry?

Hon. Mr. Parrott: I think surely the member recognizes that I was speaking on that occasion as a former member of the staff—

Mr. Deans: You were speaking as a minister of the Crown.

Mr. Speaker: Order, please.

Hon. Mr. Parrott: I was speaking as one who was a member of the staff of a faculty some seven or eight years ago. That was the reference very clearly.

Secondly, I said the faculty had, at that time, put far too much effort into them to fail them; and I believe that to be correct, because by additional training we were able to save seven or eight years of post-secondary education. A little extra work on the part of staff and faculty more than prepared them adequately, and I think that investment of the time of staff is always a warranted extra effort for them to make.

ACCIDENT SPOT ON QEW

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of Transportation and Communications. Does the minister recall my query on April 8, and my statement in this House that on that section of the Queen Elizabeth Way known as the Sand Plant Hill there were some 95 accidents in six years, five of them fatalities? Does he now have correspondence from the city of Niagara Falls indicating their concern about this most serious matter? Does the minister realize that on May 6 there was an accident there involving five vehicles, one of them a transport truck, resulting in some \$50,000 in damage to these vehicles? Is the minister concerned about this most serious problem?

Mr. Eakins: Tell him you are.

Hon. Mr. Snow: Yes, I'm sure the hon. member knows I am concerned. He raised this question in the House—

Mrs. Campbell: How would he know that?

Hon. Mr. Snow: —and back at that time I responded to the hon. member and told him what action I was taking. I forget at this moment whether I replied in the House, I believe I did; if I didn't, I replied to the member directly by letter.

Mr. Good: Nothing has happened.

Hon. Mr. Snow: The actions I suggested we were taking at that time are being carried out; there were so many questions involved.

I wasn't aware of that particular truck accident; it hadn't been brought to my attention.

I have not received, to my knowledge, the resolution the member referred to from the city of St. Catharines, although I did read in the press a small article stating the city of St. Catharines was sending such a resolution. It not only involves my ministry, but also the railway which has the overpass.

[2:45]

Mr. Speaker: We'll allow a supplementary.

Mr. Kerrio: Thank you, Mr. Speaker. The reason the minister didn't hear about the accident on April 6 was that it was subsequent to my question. This now poses the question of whether he is willing to get involved in investigating this serious matter somewhat sooner than he had anticipated doing it, that is this fall. I'm most anxious to hear that he would get on with it now.

Hon. Mr. Snow: Mr. Speaker, I think that remark is uncalled for. The matter has already been investigated. I'm very much aware of the situation and I told the hon. member what actions were going to be taken.

CCH CANADIAN LTD.

Mr. Bounsall: Mr. Speaker, a question of the Minister of Labour: What action is the minister taking to ensure that meaningful and good-faith bargaining is effected by CCH Canadian Ltd, so that a fair collective agreement is reached between that company and the Toronto Typographical Union, Local 91, particularly inasmuch as the government of Ontario is supplying CCH with reports and statistical data which is a basis of its ongoing commercial operations?

Hon. B. Stephenson: Mr. Speaker, part of the problem in the dispute between the union and this company is before the Labour Relations Board today. I think it would be inappropriate for me to make any remark about the negotiations until a decision of the Labour Relations Board has been released.

Mr. Bullbrook: No, that's silly.

Mr. Bounsall: A supplementary: Inasmuch as the Province of Ontario gives the company the data which allows it to continue as a commercial operation, will the minister make it clear to this company that unless it acts as a decent employer and stops draining public funds by appearances before the Ontario Labour Relations Board and stops contra-

vening the Employment Standards Act—it was paying the women journeymen 80 cents an hour less than the men; when this was pointed out to them, the company responded by dropping the men's pay by 80 cents an hour—will the minister make it very clear that unless this sort of action stops the government of Ontario will no longer supply the company with the data it must have to continue operations?

Hon. B. Stephenson: Mr. Speaker, I shall most certainly consider seriously the statements made by the hon. member today.

Mr. Speaker: Final supplementary, the member for Sarnia.

Mr. Bullbrook: Would the Minister of Labour be supportive of me in my request of the federal Minister of Labour to do exactly the same thing and to refuse to provide statistical information from the government of Canada to CCH Canadian Ltd. until it begins bargaining in good faith?

Mr. MacDonald: We have unanimity.

Mr. Lewis: That's right; you can take action.

Mr. Bullbrook: I wonder if I might have an answer. Would the minister be supportive of that? Would she communicate with the federal Minister of Labour to stop the inequity?

Hon. B. Stephenson: Mr. Speaker, since I communicate with the federal Minister of Labour rather regularly, I shall be pleased to consider doing so on this occasion.

AMBULANCE SERVICE IN WINDSOR AREA

Mr. Mancini: Mr. Speaker, I have a question of the acting Minister of Health. In view of the fact that a letter from the ambulance branch of her ministry recommends a central dispatch system for the Windsor and Essex county area, and in view of the fact that the Amherstburg, Anderdon and Malden volunteer ambulance service has stated it cannot work under such a system because of its volunteer nature, and in view of the fact that the three municipalities involved have passed resolutions giving support to this volunteer service, could the minister please tell me if she is going to assure us that she will not let this takeover continue and that she will stop it right now?

Hon. B. Stephenson: Mr. Speaker, the ambulance service in the area of Windsor and

Essex is being discussed with the people involved in the service, as it has been in other areas. However, since there is now an active district health council in that area, I would think it would be most appropriate if the problem of ambulance and emergency services were raised with the district health council for discussion at that level and then for discussion between that group and the ministry.

Mr. Mancini: A short supplementary, Mr. Speaker: the Essex county hospital council had passed a resolution stating that this particular service should be left alone and then the letter came from her ministry objecting; would she have a comment on that?

Hon. B. Stephenson: Mr. Speaker, I would reiterate that in the presence of a district health council the Ministry of Health feels that decisions and recommendations which are to be made regarding any aspect of a health service should be established at that level and then directed towards the ministry.

Mr. Mancini: Just one more supplementary.

Mr. Speaker: A final supplementary. The member for Windsor-Sandwich.

Mr. Bounsall: A supplementary on this matter, Mr. Speaker: I would be interested in having the minister's opinion on this; does the minister feel that a total of \$14,000 for an expenditure on a basically volunteer ambulance service, now threatened to be replaced at Amherstburg, Anderdon and Malden, makes more sense than it having to be taken over by another ambulance group and funds expended to the possible tune of well over \$100,000, if that is the choice that is involved?

Hon. B. Stephenson: Mr. Speaker, that is only one aspect of the choice that is involved. There are a number of other factors which must be considered as well. The availability of the service and the quality of the service must, of course, be considered seriously, as well as its integration into the emergency service of the whole district of Windsor and Essex.

Interjection.

Mr. Speaker: I announced that was a final supplementary; time is just about over.

ESSEX PACKERS

Hon. J. R. Smith: Mr. Speaker, in response to the earlier question this afternoon by the hon. member for Hamilton West (Mr. S.

Smith), the arrangements for the refinancing of Essex Packers Ltd. have been completed. Better Beef Ltd. of Toronto has advanced sufficient funds to Peat Marwick Ltd., the trustee under the Essex Packers Ltd. proposal, to pay the dividends to preferred creditors and unsecured creditors with claims under \$500. As called for with the Essex proposal, the cheques for these dividends went out last week.

Better Beef Ltd. has also provided funds to enable Essex to repay its debenture debts to the Bank of Nova Scotia. As a result, the receiver turned Essex's plants in Hamilton back to Essex Packers on Friday, May 14.

Peat Marwick Ltd. and Essex Packers Ltd. have agreed to lease both the Hamilton plants to Better Beef Ltd., while Essex negotiates long-term arrangements for the operation of the plants. In order to adjust the takeover from the receiver, operations in the plants were to be curtailed for a week from May 14. Better Beef Ltd. will then start to moderate operations in both plants the week of May 24 to preserve the viability of the production lines of Essex and provide employment opportunities.

Mr. S. Smith: Mr. Speaker, would the minister define exactly what is meant by moderate? And can he assure this House that over 90 per cent of the 200 to 300 jobs that he promised would be retained by Better Beef having taken over Essex Packers, will provide in fact active employment as of the week of May 24, as he suggested?

Hon. J. R. Smith: Mr. Speaker, I can give no guarantee. But it is reasonable to expect that to start up a production line you just can't begin it immediately; it has to be a gradual buildup. We have every indication that with the new management and with their skills in business, it looks very promising for the future, that they can make a go of the operations in Hamilton. I have no immediate knowledge as to the exact number of immediate job opportunities or what their final capacity is going to be.

TRAVEL INDUSTRY LEGISLATION

Mr. Philip: A question of the Minister of Consumer and Commercial Relations: Now that the minister has publicly acknowledged that the Travel Industry Act is not operating in a successful manner, when will he introduce corrective legislation? And will such corrective legislation call for a re-examination of the decisions made to date by the

present board of trustees to the travel industry compensation fund?

Hon. Mr. Handleman: Mr. Speaker, first, I haven't made any suggestions that the Travel Industry Act is not operating properly; it is operating properly. There have been some decisions of the board of trustees of the compensation fund, which really has nothing to do with the administration of the Act. We had disagreed with some of those decisions and we are studying them now to see whether corrective action can be taken.

Mr. Philip: Are the dates reported in Tuesday's paper regarding the demise of Blue Vista Tours accurate; in particular that the Travel Industry Act registrar, Douglas Cavan, knew on Dec. 17, 1975, that Blue Vista was going bankrupt? If so, why did the ministry not stop Blue Vista from accepting cheques as late as Dec. 27, 1975, for tours which would never take place? Is the minister willing to accept that by his ministry not acting at this time in fact he was an accessory to a fraud which was perpetrated?

Hon. Mr. Handleman: Mr. Speaker, the question is completely out of order and I would ask for a retraction of that question immediately.

Mr. Cassidy: What do you mean it is out of order?

Hon. Mr. Handleman: Mr. Speaker, I have been accused of being an accessory to a fraud and I would ask the hon. member to please withdraw it.

Mr. Speaker: That part of it is out of order. Would the hon. member retract that?

Mr. Lewis: It may be retracted. It is not out of order.

Mr. Speaker: That is clearly imputing motive. I would ask the hon. member for Etobicoke to retract that part of the question. The hon. member for Etobicoke.

Mr. Lewis: He asked whether the ministry was an accomplice.

Mr. Speaker: Order, please.

Mr. Philip: I will rephrase the question, Mr. Speaker—

Some hon. members: No.

Interjections.

Mr. Speaker: Order, please. I think there's a direct imputation there which I think the

hon. member should retract. The other part of the question is in order.

Mr. Philip: I will retract the question, Mr. Speaker, if I may rephrase the question.

Mr. Speaker: Does the hon. minister have an answer to the first part?

Hon. Mr. Handleman: Mr. Speaker, we were aware on Nov. 30 that there were some financial difficulties in Blue Vista, and the registrar and my parliamentary assistant were following it up as vigorously as they could. What we did find was that the Canadian Transport Commission in Ottawa had not enforced its own regulations to ensure that there was money paid out front before the flights took place; if there had been, there wouldn't have been any problems and we would have been able to control it. We have no way of stopping anybody from paying money to a tour operator or a travel agent. All we can do is compensate those who suffer from the losses incurred by its collapse.

Mr. Lewis: You can revoke a licence if it is not legitimate.

Mr. Speaker: Order, please. We have an opportunity for a very brief question from the member for Grey-Bruce.

Interjections.

Mr. Speaker: Order, please. The time is fleeting. The member for Grey-Bruce with a short question.

Mr. Sargent: Mr. Speaker, before I ask my question, I want to say how much we are all going to miss Bill Prager of the Windsor Star in this House.

ONTARIO HOUSING CORP.

Mr. Sargent: Mr. Speaker, I have a question of the Premier, and I will be interested in hearing how he is going to double-talk himself out of this one.

Mr. Yakabuski: You'll help him.

Mr. Sargent: Further to the Premier's statement at the clambake about 10 days ago, at his party's convention, when he said that the government files—

Mr. Yakabuski: Question!

Mr. Sargent: What's the trouble, Paul?

Mr. Speaker: Order, please.

Mr. Sargent: If, as the Premier said, government files would be open to the public,

why are the files of the OHC not available to us? Or is this window dressing? If they are available to us now, will he provide for the House the files for the years 1966, 1967 and 1968 relative to land acquisition payoffs?

Hon. Mr. Davis: Mr. Speaker, I will try to restrain myself from commenting on that latter part of the question—

Mr. Lewis: The time has expired.

Hon. Mr. Davis: Has the time expired? Well, the answer very simply is I made no such statement.

Mr. Speaker: The oral question period has expired.

Mr. Sargent: What kind of kangaroo court is this?

Interjections.

Mr. Speaker: Order, please. The hon. member will take his seat.

Petitions.

Presenting reports.

Mr. Lawlor from the standing private bills committee presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bills with certain amendments:

Bill Pr16, An Act respecting the City of Windsor.

Bill Pr24, An Act respecting the Township of West Carleton.

Bill Pr25, An Act respecting the Township of Bosanquet.

Hon. B. Stephenson presented the 1975 annual report of the Ontario Cancer Treatment and Research Foundation.

Mr. Speaker: Motions.

Introduction of bills.

[3:00]

MENTAL HEALTH AMENDMENT ACT

Mr. G. E. Smith moved first reading of bill intituled, An Act to amend the Mental Health Act.

Motion agreed to; first reading of the bill.

Mr. G. E. Smith: Mr. Speaker, the purpose of this bill is to amend the Mental Health Act to provide a system of structured programming under security conditions for mental retardation residents who have a history of psychosociopathic behaviour.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, I wish to table the answers to questions 5 and 9 standing on the notice paper. (See appendix, page 2493.)

Mr. Speaker: Orders of the day.

NIAGARA ESCARPMENT PLANNING AND DEVELOPMENT AMENDMENT ACT

Mr. Norton, on behalf of Hon. Mr. McKeough, moved third reading of Bill 9, An Act to amend the Niagara Escarpment Planning and Amendment Act.

Mr. Swart: Mr. Speaker, I'd just like to make a short statement on third reading on this bill, if I may.

Our party opposed this bill on second reading because we believed that it would weaken control over the natural environment of the Escarpment. Since that time, our feelings have been confirmed by a series of events; firstly, tabling of the so-called provincial plans which, in fact, downgrade planning generally in this province; and since that time a letter has gone out to the clerk of the Niagara region, and I assume other clerks along the Escarpment, which gives permission for way-side pits, which had previously been prevented, now being opened up on the Escarpment. We think the transfer of authority over the Escarpment from TEIGA to the Provincial Secretary for Resources Development, as proposed in Bill 9, will further weaken this, and therefore our party is opposed to Bill 9.

Mr. Speaker: Those in favour of Bill 9 being read the third time will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

Motion agreed to; third reading of the bill.

RESIDENTIAL PREMISES RENT REVIEW ACT

Hon. Mr. Handleman moved third reading of Bill 60, An Act to amend the Residential Premises Rent Review Act, 1975.

Mr. Cassidy: Thank you, Mr. Speaker.

I want to make two or three comments in a synoptic way, to quote the member for Riverdale (Mr. Renwick). The bill provided that rent increases would remain in force for a year and outlawed short leases unless there was an appeal to the rent review officer. This was a proposal which we made to the government back in January when the problem of

short leases first came to light. The government refused to go along with our proposals at that time and I'm glad to say it has now accepted them, and I think it should be put on the record that the minister has stated this change in the bill is retroactive. It means, for example, that if the rent was increased by a certain figure, by eight per cent or less, at the beginning of this year, the landlord cannot again increase the rent by any amount prior to January of 1977, or a 12-month period must elapse unless he goes to rent review, and that is an important protection for tenants, which we welcome.

I wish I could say that we welcome the rest of the bill; unfortunately, we do not and that is why we opposed the bill on second reading and oppose it again on third reading. The bill has not been improved during the course of its committee passage.

The second major part of the bill exempts rental premises which are owned by religious organizations, by hospitals and by educational institutions. We had not seen any compelling reason why these particular exemptions should be put into the Act, in view of the lack of representations made to us and the experience we could see happening out in the communities.

I must say we are particularly puzzled and rather confused at the amendment which the minister has inserted with the insistence of the member for Kitchener-Wilmot (Mr. Sweeney). This is the one that says educational premises like student residences are exempt from rent review provided that the university can show to the rent review officer that it had some form of consultation with the students' council. It is a kind of rent review without rent review, I suppose, and it doesn't seem to us reasonable that a process that was working effectively and bringing the landlords, in this case the universities, and the students, as tenants, together in order to discuss the situation, making students familiar with the facts and in certain cases achieving a rollback in these rates, should be taken out of rent review. Much better to preserve the integrity of the Act.

The third major part of the bill is the exemption of rental income housing owned by the municipalities and of limited dividend accommodation owned by the municipalities. We proposed—and we welcome the fact that the ministry has accepted—that private limited dividend housing simply had too many problems and there were too many avenues for abuse under the federal legislation for those buildings not to be subject to Ontario's rent

review plan. We welcome the fact that the original proposal of the ministry to exclude those limited dividend projects in private hands, has been rescinded. However, we cannot go along with what the ministry has done, with the support of the Liberal Party.

To talk about the municipal limited dividend housing in the first place, since no effect was made by the city of Toronto in particular to do any phasing in of a very sharp increase in rents on its limited dividend housing, we thought it was desirable that there be review in those particular cases. The city of Toronto, Metro, did not behave in the spirit of the rent review legislation. The increase that has been brought in in one year was far greater than the complete overall increase in incomes for senior citizens receiving GAINS and the guaranteed income supplement.

As far as the rent-geared-to-income housing is concerned, we felt and still feel that the question of bringing OHC under rent review was very intimately linked with the questions that have been raised by OHC tenants and by this party over the past year or two concerning the need for revision of the rent scale, the desirability of having tenants involved with management and the need to open OHC books.

I am glad to put on the record the fact that the Ministry of Housing is starting to move. The books are open as they have never been open before, and yesterday the Minister of Housing indicated that he is much more open than his predecessors to involving tenants in management, and to seeing tenants appointed to the boards of local housing authorities. He has also indicated a willingness to begin discussions with members of the Legislature about the rent scale.

That kind of commitment or promise is not enough, however, to enable us to go along with what the government has proposed in this particular bill. The rent scale has not been revised, no representations have been made to Ottawa, there has been no position struck on the part of the Ontario government, and there have been no meaningful negotiations with the tenants.

Likewise on the question of tenant management, we are beginning to get promises now from the government that something will happen, but those promises will have to be measured by the results, because they certainly cannot be measured by the goodwill or by the effectiveness of what the government has done in the field of tenant management in the past, with the single exception

of Regent Park. With that lone exception, the government and the housing authorities and the OHC have not been effectively involving tenants: they are only making promises right now. We can't prove it, but I would like to suggest that it is only because of the position taken by the NDP, the New Democratic Party, in this Legislature on the question of OHC tenants and rent review, and the position taken by the tenants themselves, that the movement we are beginning to see from the Ministry of Housing is taking place.

I would also like to suggest—and I see that the leader of the third party is still here—that it is no good for the Liberal leader to write letters to Ottawa to suggest that Ottawa renegotiate the rent scale for public housing tenants, when his party is unwilling or unable to act in this Legislature where they have power to put pressure on the government to go forward with those changes in the rent scale. It is no good telling your cousins up in Ottawa what to do, when you are not willing to carry the responsibility down here in this Legislature.

Mr. Ruston: You've only got 16 cousins in Ottawa.

Mr. Cassidy: I want to say that we are very disappointed in the fact that, after listening quite carefully I believe to the tenants and the representations they made to the Liberal caucus, and after responding positively with promises, the Liberal caucus was unwilling or unable to respond with action in this Legislature in the form of a vote to keep OHC under rent review until such a time that the rent scale would be renegotiated.

Finally, during the course of the committee stage a number of serious problems in rent review administration were ventilated in the House. I'm sorry, but the other two parties were not prepared to consider seriously the anti-tenant bias which unfortunately has emerged in the administration of rent review.

Among other things, I proposed that natural justice be served by permitting the tenants to photocopy the material submitted by landlords, by requiring that landlords give a copy of their four-page cost-revenue statement to tenants when it is filed with the rent review officers, and by allowing proxies to tenant organizations which cannot appear at rent review hearings except through their individual members.

I regret that none of those amendments were accepted. I regret the fact that the third party, which could in fact have taken constructive

steps in helping ensure the tenants were dealt with fairly under rent review, did not choose to do so. I have to say, Mr. Speaker, that I regret the consistent anti-tenant bias and the consistent attempts to undermine rent review which have been made by the Minister of Consumer and Commercial Relations, who's responsible for the programme in this House, during the course of this debate, in his estimates and across the province in the speeches he is making. It is absolutely unthinkable that the minister responsible for this programme, the minister responsible for the protection of tenants, should go up and around the province saying, he wants Ontario to get out of rent review.

Mr. Speaker: Those in favour of Bill 60 being read the third time will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

Motion agreed to; third reading of the bill.

NIAGARA ESCARPMENT PLANNING AND DEVELOPMENT AMENDMENT ACT

Mr. Good: Mr. Speaker, on a point of order. I would ask that you look into the procedure followed in the reporting of Bill 9 from committee. It is my opinion after reading Hansard that this bill was never reported by committee as having been completed. The member for Riverdale (Mr. Renwick) was speaking on section 4 of the bill and he said, "If that is acceptable—and I understand it may well be that the committee will rise and report before this bill is reported . . ." And after his remarks on that, the House leader of the government, Mr. Welch, moved that the committee rise and report. I specifically felt that there were still discussions taking place on the latter sections of that bill before the committee rose and reported. I grant that on Tuesday we had the stacked vote on a previous section of that bill, but I'm wondering, Mr. Speaker, if you would ascertain whether the correct procedure had been followed in the reporting of that bill to the Legislature from the committee of the whole House.

Mr. Speaker: It is my understanding that the question was put, "Shall the bill be reported?" but I will check into it and make sure that that is correct.

Clerk of the House: The 20th order, House in committee of supply.

ESTIMATES, MINISTRY OF
TREASURY, ECONOMICS AND
INTERGOVERNMENTAL AFFAIRS
(concluded)

Mr. Chairman: It is my understanding and my recollection that we were on vote 1006, item 2, urban and regional planning. The hon. member for Welland-Thorold.

On vote 1006:

Mr. Swart: Mr. Chairman, I suppose this is the vote on which we normally make our comments on provincial land use and development planning—or perhaps more appropriately, the lack of it—but I'm not going to that now because, first of all, there is somewhat of a shortage of time remaining in the estimates of TEIGA. Second, because it was covered rather well by my colleague from Brantford (Mr. Makarchuk) and because the "Ontario's Future: Trends and Options" debate will provide some opportunities to talk about what my party and I consider to be the dismal failure of the Treasurer (Mr. McKeough) to provide any leadership in preserving our agricultural land and assuring that growth in this province takes place in a location and a manner most beneficial to its citizens.

[3:15]

Over and over again the Treasurer has been asked to provide such a plan. The Mayors and Reeves Association at least eight years ago made the issue of a comprehensive provincial plan a top priority in its planning documents. The Association of Municipalities' statement which was given to the Planning Act review committee in fact made those points over again and said this:

The province should redirect its planning involvement from a detailed supervision of day-to-day planning matters, except where absolutely necessary, to a concentration on providing a context for that day-to-day planning in partnership with municipal governments.

In spite of the desire of municipalities, and I think perhaps everyone else, you have done nothing, in spite of the promises which your government had made over the years to bring in a provincial plan. Harold Greer points this out very clearly in his column of a couple of weeks ago, special to the St. Catharines Standard, when he says:

For the most part planning in Ontario under the Conservatives has been a massive con game in which the printing of ever more plans has been substituted for real planning.

You may think that producing another set of documents with little meaning and doing nothing to implement anything at a provincial level is good politics. I say to you that you are mistaken. You mislead the public. They are not opposed to planning. What they are opposed to is the layer upon layer of planning bureaucracy which this government has built up to give a facade of planning and to insulate itself from the public.

Local planning controls, regional planning controls, provincial planning controls and Escarpment controls, plus others, combine to provide a procedural and a time barrier which is infuriating and almost impossible to penetrate. All you really need is two levels, a development plan for the province and a local municipal plan to fit within the framework of the provincial plan. Such a procedure could give us meaningful planning and would certainly eliminate much of the bureaucratic frustration to the public.

In the time frame available to me I want to make some comments about regional government. My first comment is that regional government is not the success which the ministers claims it to be, and I suggest he knows it.

Mr. Godfrey: No; shocking, shocking.

Mr. Swart: It's the reason "Regional Government in Perspective" was produced. The Treasurer will allow that regional government is a political liability to his party and the perspective paper is therefore a very political document. I can just hear your instructions to your staff. "We were hurt politically in the last election by regional government. Produce a document to prove that it is working well."

The whole thrust of that document is to argue that greatly increased costs to municipal taxpayers in regional government municipalities are due to rapid growth, to new services or an increased level of services. According to the Treasurer, regions are working well. It just isn't so. The high costs of regional government are far outstripping any benefits. Table 7, page 17 is the true perspective in that document. It shows that in Metro Toronto from 1970 to 1975 total local government expenditures per household have gone up from \$836 to \$1450 or 73 per cent. It showed that in the rest of the province they've gone up from \$628 to \$884 or 41 per cent. In the regional municipalities in those five years, as you are well aware, spending per household of local governments has gone up from \$656 to \$1,344 or 105 per cent in a five-year period.

Mr. Haggerty: That trip to Sweden paid off.

Mr. Swart: That is the real perspective, I suggest, of regional government costs. There's no argument, I think even by you, that the increases in expenditures in regional government municipalities between 1970 and 1975 have been 2½ times greater than the rest of the province. Is this due to so much faster growth and better services in regional areas? If so why didn't you use examples of growing and high service municipalities outside the regions to show that these factors have the same effect on taxes everywhere?

Comparisons of comparable communities in and out of regional government are omitted from that document. You didn't do those comparisons for such comparisons would show little validity in the Treasurer's argument. The simple facts are that two full tiers of local government simply add tremendous costs without comparable benefits.

I want to provide the comparisons which the Treasurer has omitted to prove this point. Cities within regional governments are compared with other cities with similar population and growth rates but located outside regional governments. Statistics which I will give are taken from the government's own municipal financial information. This table shows the regional cities of Hamilton, Sudbury, Cambridge, Niagara Falls, Welland and Waterloo, representative municipalities within regions, compared to the non-regional cities, separated cities, of London, Thunder Bay, Brantford, Kingston, Peterborough and Sarnia; the total municipal expenditures for households in the regional municipalities were \$1,170 in 1974 compared to \$908 in the non-regional cities.

I reiterate that these cities are representative. They're not selective. I haven't picked a regional city where the household expenditures are the highest such as they are in Ottawa-Carleton and even in Durham. The table gives a reasonably accurate indication of municipal cost in a full, two-tier system versus the one-tier. The regional cities are 29 per cent higher.

The Treasurer may try to say that the services in these cities aren't comparable but are services in London not really comparable to Hamilton's? Yet London's expenditures per household were \$816 compared to Hamilton's \$1,069. Are the services not really comparable between Thunder Bay and Sudbury? The expenditures in Sudbury were \$1,274 compared to \$1,051 in Thunder Bay. Are the services not comparable between Brantford

and Welland? Yet household costs or expenditures by the city of Welland were \$1,098 compared to \$999 in Brantford.

Let not the minister, nor anyone else, argue either that the separated city costs are less because they are exempted from county rates and thus they are not paying their full share. Costs of services to separated cities, such as suburban roads, don't show up as added costs to surrounding county communities. A representative examination of expenditures per household of 25 towns in counties compared to a similar number in regions showed the regional towns to be higher by more than 10 per cent. I invite the minister to make this comparison himself.

The differences in costs between regional and separated municipalities, of course, are fudged by the provincial grant system whereby the regional governments get assistance far in excess of any other type of municipal government. But even with this blurring, tax rates are admittedly, substantially and consciously higher within urban regions generally than in the other comparable communities without regional systems.

By the Treasurer's own statistics, municipalities in regions spent 52 per cent more per household in 1975 than the municipalities outside regions. Yet these same municipalities which now spend 52 per cent more—I would hope you would note this—spent only 4.5 per cent more per household in 1970, just five years ago, when they were not in regions or just getting into regions than did the other municipalities which are still outside the regions. Admittedly, the municipalities in regional areas are growing somewhat faster on the average than those without the regions but they were in 1970 as well—those same municipalities were growing much faster.

That doesn't explain the 52 per cent average hike over non-regional municipalities now; nor do the increases in the so-called catch-up in service volume or level. My comparison of household expenditures between regional cities and non-regional cities with comparable service, I think, debunks that theory. Much of the tremendous increase in expenditures of regional municipalities is due solely to the full two-tier system which we have in the regions which you created. It's not due to anything else but that.

My figure of 29 per cent probably represents the true waste and duplication. The difference between the 29 per cent and the 52 per cent can be conceded to be the increased cost due to growth, service and service level. Even if I round out my 29 per cent figure to 25 per cent so they are only 25

per cent higher because of structured regional government, the unnecessary cost to a municipal government caused by the introduction of regional government is more than \$200 million annually or \$70 per household spread all across Ontario. What a restraint programme you have initiated.

In addition to the financial debacle of regional government, many of the projected benefits have not materialized. Regional planning has not been successful. The regional overview has largely deteriorated to a parochial back-scratching exercise. The benefits of projected equality in services and costs have been counteracted by uneconomic extensions and loss of taxing accountability to the municipalities served. Capital financing has been increasingly moved to a greater debt basis even in this time of excessive interest rates.

Let me give you examples from the Niagara region, which are not untypical of regional governments generally. Regional government was going to do great things for the Peninsula. It was the stated basic objective in the policy plan that it would preserve the good agricultural land and it would prevent the growing together of the urban communities in the Niagara Peninsula. Mayo's report, on which regional government was based, said the main purpose for regional government in the Niagara Peninsula was to preserve the good agricultural land. Those were the objectives.

Mr. Good: Where was the NDP when the bill was passed?

Mr. Swart: Where were the Liberals when the bill was passed?

Mr. Good: We voted against it.

An hon. member: You would vote against anything.

Mr. Good: We knew what you were getting into.

Mr. Haggerty: Tell us about central government—

Mr. Swart: What has been the degree of success since regional government was formed on Jan. 1, 1970? Let me read to you the report of our planner, dated March 3, 1976, in which he gives an overview of where growth has taken place in the Niagara Region since that time. He states:

The overall population increase in the north communities from 1941 to 1971 was about 98,000 persons compared to about 89,000 in the south. This is a ratio of about 50/50 or actually 50/48.

I want to point out when he mentions the north communities he is talking about only those below the Escarpment. The prime agricultural land and the grape land in fact extends generally for two or three miles above the Escarpment.

[3:30]

He goes on to say:

The total population increase over the period 1971 to 1975 [when we had regional government] was 19,653 persons. The larger proportion of this increase was in the northern municipalities 14,376 persons, or 73 per cent of the total increase since regional government was formed took place in the northern municipalities in the Niagara region.

Can we expect some real changes now that urban boundaries in that area are being reconsidered? Boundaries which previously provided for all the growth in the prime land. It appears the change will be minor, but even if drawn back nothing will happen for a long time, if ever.

The region attempted to get advice from the province on what sort of steps should be taken with regard to switching the growth in the Niagara Peninsula to above the Escarpment. The Ministry of Housing wrote back on March 16 and said: "We support the approach that would permit a reasonable rate of growth for several years of normal development in all urban areas." As the minister said in his letter, "Even if normal rates of growth are permitted for 10 years or so, and consideration is given to rounding out of existing development and to the servicing situation, substantial cutbacks can be made."

For seven years the situation has got worse and the province now is encouraging the region to make no change for another 10 years. So for at least 17 years after regional government is formed, nothing is done with regard to the preservation of the good agricultural land. That's an amazing success of regional government in the Niagara Peninsula. One and a half million dollars has been spent on planning in the Niagara region, and there is exactly the same situation as if regional government never existed. I guess that's not really true. It's not the same; it's worse. It's worse because they've got regional government. They've got the questionable advantage of uniform sewer and water rates. Pushed by the Ministry of the Environment, they went into the system in 1973 and thereafter signed an agreement with the Ministry of the Environment for timing and funding of sewer and water capital works in the

amount of \$95 million over the next 20 years, of which \$65 million was to be spent in the first five years.

In spite of the implications of the regional plan, which at least verbally states we're going to preserve the good agricultural land and the prime fruit land, more than half of the money was to be spent to provide for tremendous expansion in the prime fruit land. In Virgil, for instance, it's proposed to spend \$2.25 million for a sophisticated sewer system that could accommodate a population of 7,500 in that area, compared with the 1,000 people who live there now. In the Grimsby-Vineland-Beamsville area, it provides for eight linear miles of sewer area, combined with water, at the cost of \$18.5 million. In St. Catharines-Thorold-Vineland—all good agricultural land—an expenditure of \$17 million is proposed. Isn't it great? Water or sewer, or both, all the way from Niagara-on-the-Lake to Grimsby, courtesy of regional government. Through the total length and breadth of the Niagara Peninsula in the prime fruit land we're going to have water or sewers, and in most places we're going to have both.

Let me say that on the cutbacks priority has been given to the area below the Escarpment. It's all promoted by a 40-year repayment on a deficit financing basis, where you pay even less than the interest at the beginning of the repayments for the capital expenditure and pick it up at the end. For instance, the regional expenditure of about \$884,000 on the Virgil sewer will turn out to be a repayment of \$3.4 million.

The cost and the effectiveness of regional governments, as the Treasurer has constructed them, are open to serious question and that's perhaps an understatement. The principles on which they are based, I suggest, must be re-examined. We simply cannot afford two full-fledged levels of local government. The huge size of regional governments makes them unresponsive and unaccountable to the public, and prevents regional councillors from having an intimate knowledge of the services which they are providing and the people who are administering them. With the two levels, there is duplication, overlapping and excessive and unnecessary bureaucracy.

Let me say, with some degree of immodesty, that the Treasurer would have been wise, some nine or 10 years ago, to have taken the advice of some people like myself. When the Niagara region was being considered, and I believe he will remember this, I pointed out in a lengthy brief that it was too large an area for one region, and I urged

that it be two regions. My brief also called for provision of services at the lower tier wherever possible and wherever there was any doubt as to which tier should be used, the service should revert to the lower tier.

Admittedly, local government in many areas of this province cannot be wholly a one-tier system, but in municipalities of moderate size a single tier works the best. In other areas, consideration must be given to relinquishing several of the functions of regional government back to the local municipality. The present ad hoc studies of certain regional governments are not what's needed. The politically motivated conclusion of "Regional Government in Perspective: A Financial Review," is an even less valuable contribution to the problem. After recording the devastating increase in expenditures by regional municipalities, which I pointed out, the report says, on pages 38 and 39, and I quote:

The main conclusion that must be derived from the facts presented in this review is that reorganized municipalities have performed well.

This review has outlined the municipal organization and fiscal changes without evaluating their effectiveness. In terms of financial performance, it seems that the changes were appropriate.

I just wonder how wrong conclusions can be?

On behalf of my party, I call on the Treasurer to initiate a fundamental re-examination of regional government structures, preferably through a select committee of the House. Nothing less will be adequate to meet the concerns of the people of this province. I say very sincerely, why doesn't the Treasurer agree to such a committee and use the talents of all sides of this House in dealing with this problem, which, I suggest, by nature, can be largely non-political? I ask him to give serious consideration to that proposal.

Hon. Mr. McKeough: I will just make a couple of comments. First of all, of course, the document was not politically inspired. That's a lot of nonsense. We went last spring to various regions, as I explained, to all the restructured governments when we tabled this document. I went to each of the regions and presented figures as we saw them and indicated that we would try and consolidate them all in one place, and that's exactly what we've done. There was nothing political about it. Far from it.

The member has drawn certain conclusions from the report. I draw the conclusion, and I said this in the statement which I gave when I tabled the report, I don't disagree with the

staff's conclusion. The regions, reflecting the fastest growing areas of the province, have had the biggest increase in expenses, and probably can look forward to bigger increases in expenses. If the province has to make a priority then it is those fast-growing areas which are going to need priority help.

With respect to regional government, I must say I can't accept the fact, as the member seems to put it, that a duly elected regional council in Niagara is not capable of producing an official plan. I don't think you can have it both ways. The member talked in some of his remarks about paternalism at Queen's Park. The regional council apparently is not producing an official plan that the member likes. So be it; he should perhaps go back and run for the regional council again. That is its responsibility, commensurate with provincial policy, and I can't comment on the details of that plan because I haven't seen it. The Minister of Housing (Mr. Rhodes), of course, on behalf of the government will ultimately approve it, modify it and refer it.

But you just can't have it both ways. To talk about Queen's Park having too heavy a hand and then disagree with a plan that essentially has been prepared and is being prepared by local people strikes me as being just a little bit ridiculous.

The other point I would make is that the member is aware there are three royal commissioners sitting at the moment in various parts of the province—Toronto, Niagara and Ottawa. We look forward to their comments on how well, or otherwise, various restructured governments have done and what changes are recommended. They will be fully debated here. I think undoubtedly some of the changes they recommend in their particular areas may be applicable to other areas as well. But we will wait and see that when we have the report. I am not contemplating a select committee.

Mr. B. Newman: Mr. Chairman, I wanted to ask the minister a few questions concerning the restructuring of government in the Windsor and Essex county area. Would the minister kindly inform me as to the total cost of the restructuring to date, if at all possible, and what type of a timetable he has set for Prof. Silcox to submit his final report to him?

Hon. Mr. McKeough: I don't think this falls under the second item. I think it probably falls under item 4, local government services.

Mr. B. Newman: We are discussing regional planning, so I would have assumed, Mr. Chairman, that regional—

Hon. Mr. McKeough: You are talking about restructuring in Essex county and that does not fall under item 2. I would assume it falls under item 4 of this vote.

Mr. B. Newman: Will the minister see that his officials get the answer for him when we get to the fourth vote?

Hon. Mr. McKeough: Yes.

Mr. Nixon: Mr. Chairman, I have a couple of questions pertaining to the subject that is before us on regional government. Coming from an area which—

Hon. Mr. McKeough: I don't want to—

Mr. Nixon: I don't either, but we have been spending a lot of time on it.

Hon. Mr. McKeough: Well, he started on land use and then kept on going into a whole lot of other subjects. With respect, Mr. Chairman, I think we'd better try and sort some of this out.

Mr. Chairman: Item 2 covers regional planning, provincial development strategy reports, local government organization, regional government reviews, county restructuring studies, municipal legislation and the Northern Communities Act.

Mr. Nixon: Then with your permission, Mr. Chairman—

Mr. Chairman: That is what you gave me in your summary from the ministry.

Hon. Mr. McKeough: Okay, I am sorry.

Mr. Chairman: So it is pretty far-reaching.

Mr. Nixon: Well, you almost figure you are wasting your time on this actually, but I know the minister is very anxious to convey some information.

There are two matters that concern me coming from an area which is not regionalized. A good deal of work has been done as far as the review of the local government is concerned. There has been the appointment of a review committee. The report has been made available, it has been discussed and it has pretty much sunk like a stone. Nobody talks about it any more. The representatives of the municipalities have met and discussed it among themselves, as have some of the employees of the county and city, and they have come up with a very interesting series

of alternatives. One of them was a modified two-tier system, I think.

[3:45]

There has been no acceptance of anything in this regard other than that Brantford and its spokesmen say: "If it is not one-tier, we are not going to play any games at all," while the people from the rural area say: "If it is not two-tier, we are not going to even discuss it and, even if it is two-tier, we don't like it." So we are a long way from accomplishing anything there. As a matter of fact our business seems to be very well looked after in the area, with the possible exception of the co-ordination of long-range planning involving the city of Brantford and the county.

I was quite interested in a response from some of the staff in the Treasury to a question about the so-called modified two-tier alternative. One of the things which is tending to steer municipal councillors and others interested in this towards regional government is the indication that their grants are going to be increased if they go into regional government. I remember the former Minister of Housing, the present Provincial Secretary for Resources Development (Mr. Irvine), making it absolutely abundantly, blatantly clear at a meeting in Brantford that if the people were prepared to go into regional government, they would get additional grants and additional considerations for the needs of the community but, if they weren't, then they were not going to get anything but the short end of the financial stick.

I was quite interested that the experts from TEIGA or the people who talk about these things in an official capacity have indicated that the modified two-tier system would not be acceptable to TEIGA as far as additional transitional grants and so on are concerned. They are not prepared to accept that as a so-called regional government. I wonder if the minister would comment on this and give some indication of the official policy in this regard.

The second thing, I want to get back to the feeling I have that those areas which have not, let's say, succumbed to the former blandishments of the ministry to go into regional government are not being treated in a fair and judicious way by the grant system. It is a matter of concern. For example, there was a programme to install a sewerage system in Brantford township in the county of Brant which had been approved, or the closest thing to it, and it was stopped because the government didn't feel

it had enough money to go forward. The local medical officer of health has brought to everyone's attention his very far-reaching concern about the matter. The member for Brantford (Mr. Makarchuk) has made some statements about this from time to time as well.

One of the statements that caught my eye was a comment attributed to an official in the Ministry of the Environment that this is not a regional government here. He said it is not ministry policy to go forward with these programmes, particularly where they are in a township rather than a city with all of the planning that is associated with it, and that's one of the reasons why this was cut off. I felt it was an offensive approach to a situation. The government has clearly said it is removing the pressure to regionalize. It has been clearly said by the Treasurer that there will be no further actions unless the initiative comes from the local level.

I feel there is still this sword hanging over everyone that, unless we do what we think the minister wants or what the minister thought he wanted last year or the year before, we are going to be penalized. I am sure the minister can give me his assurances. I want them so that I can show them to people who have expressed their concern to me.

Hon. Mr. McKeough: I am sorry, I am just not familiar with either of the matters raised by the member for Brant-Oxford-Norfolk. I am not aware that the staff has indicated anything to Brant or Brantford as to what would be acceptable or not acceptable. I am sure what they have said is that the guidelines are there and are in place as to what constitutes a restructured county which would be eligible for assistance, such as Oxford, which met those guidelines. We haven't given any thought to changing them nor do I think we have been asked specifically to change them.

Let me put it this way, I have not heard from Brant or from Brantford. I am not aware, as I gathered the member said, that there's any activity in that particular area; it has not come to my attention. I will be glad to see if I can find out what member of the staff said what and understand it and get back to the member.

Secondly, I am just not familiar with the sewer problem the hon. member was referring to and, again, I don't know what Environment may or may not have said. I can't comment on it.

I would make this point: The member implied that the regions are receiving much more money from the province than other municipalities and that's true, because they are gradually assuming and have, in many instances assumed provincial functions. They are doing part of the job which the province is doing, by and large, in other parts of the province. Where we have been paying the regional police grant, for example, gradually the Ontario Provincial Police has been reducing its role.

Although the member for Welland doesn't agree, the fact is that a regional plan on the scale of Niagara is being prepared by the region and not by the province. For all those things which they are doing and which we formerly did, they are being compensated.

I think the conclusion you might well come to, in reading the financial review perspective, is that they may not be compensated enough.

Mr. Haggerty: We agree with that.

Hon. Mr. McKeough: If anything, there probably should be a greater spread between what the fast-growing regions are receiving and what other municipalities get but that's a debate for another day.

Mr. Godfrey: I wish to speak to this vote because it affects particularly the riding and the region I come from. The main thrust of what I am going to say concerns principally the documents which have been put out under the Ontario Options and Trends publications which are obviously the programme of an old out-worn government which is anxious to hide its nakedness and is clutching at every possible thing to cover its nakedness, such as the MTARTS study, the COLUC study and the Toronto-centred region plan.

The document itself is a very handsome publication, as all of them are. It bespeaks many hours of patient writing on the part of the authors and a careful fitting together of facts in which they pounded square truths into round holes in order to present some appearance of a smooth, united whole.

The shocking part of the documents is that their priorities do not seem to have changed since 1967 as far as planning is concerned. At that time a transportation study was carried out and from this transportation study economic regions were formed. This was based on the Toronto-centred region and these programmes were based on forecasts of population which were essentially extrapolations of previous densities from the 1950s and the early 1960s. It was assumed that social and economic goals would continue.

However, the basis of this plan was decentralization beyond the commuter shed and to discourage growth in the west by promoting growth to the east. This simply won't work. What is the point of subsidizing growth in the east unless you do something to stop it in the west? To encourage it in the east does not stop it in the west. I am from the east, from Pickering which, incidentally, has taken quite a battering from government planning in the past.

We have been blessed with an airport and garlanded with a garbage dump; suffocated with the North Pickering project and anointed by your sewer. We feel at times that we seem to be the target of excessive planning.

When I speak that way I am not speaking in an anti-progress way; I am for progress. However, I am against uncontrolled growth which is what is conceived in these documents. In the same way that I am against cancer, which is an uncontrolled growth of cells, I find the sub-Durham regional plan is a cancer report which counsels that uncontrolled growth. If we look at the actual plan itself and some of the language in it, I was concerned to see that the Treasurer referred several times to the postponed airport. As a matter of fact, he does it in six places and laments the loss of work opportunities attendant upon the postponed airport.

However, I would point out to him he should possibly speak to his neighbour on the right when he is in the House because in numerous letters the Premier of the province has referred to it as the cancelled airport. I wonder what these two have between them and what is going on. Are they deliberately ignorant of semantics or are they simply lolling about with linguistics?

The pinchpin to the sub-Durham report is the North Pickering development, a plan against which all municipalities have expressed deep concern. This is despite the brave words of the Treasurer to the Federation of Northern Municipalities on April 30, 1976, at which time he said:

The role of government, therefore, is not to impose any plan upon the people, but to reinforce their chosen lifestyle, including the making of individual choices without the arbitrary or dictatorial intervention of government.

In spite of those remarks, it does seem that the plan is being foisted upon us.

There is some token appreciation of this on page four of the report. It mentions that during the study a number of meetings were held with the technical staff of the regional

municipality. And without committing themselves, they concurred with our general findings. They sort of nod politely as to what was going on. Indeed, I'm concerned as to why the consultation was held with the technical staff, rather than the elected representatives of the people, who I feel would have been in a better position to say whether the plan should go ahead or not.

As I mentioned, the North Pickering project is the keystone of the sub-Durham report. I would remind the House that the North Pickering project so far has cost us \$200 million of tax money spent to buy property, and \$2.1 million spent so far in planning—and the planning is by no means complete. The planning continues; but we have already put \$2.1 million into this plan, which was conceived by the airport and delivered by the Minister of Housing. It now represents the keystone of this Durham report, and may well be the tombstone of the last of the big time spenders.

In order to justify this plan, figures have been twisted and misrepresented. For example, the population figures which appear in the report are not in line with any known population projections which are held in Durham. Indeed, the Durham region has no resemblance to these population figures. There are other errors, other major problems with the report, which is put forward for our consideration as an example of Treasury planning for the future. There are severe and serious mistakes in the calculations.

On page 15, it points out that Whitby appears to have only two parcels of serviced land available—one of two acres and another of 10 acres. I had the pleasure of officiating at an opening yesterday of a 200-acre-plus industrial park. And I can assure the minister that if he is holding off referring industry to our area, under the delusion we do not have serviced land, that he need not hold off any longer. We would welcome any industry which he could send along to us.

Similar miscalculations are in other areas of the plan. Indeed, not only miscalculations but almost insulting-type language. On page 17: "The area lacks good parks, hotel accommodation, art galleries and other cultural amenities." I hasten to point out to the minister who is responsible for this report, that we do not lack in cultural amenities. Indeed, when one of our constituents read this, she wrote a poem. I dedicate it to the House and to the minister:

I, too, mistrust the age, would clang
through to clarity but given
this sense still catch myself

admiring conspiracies of efficiency;
see the parade of self-important
men as necessary; . . .

Indeed, the area has many other cultural attractions which go with it. They have so many cultural attractions, they even sent the McLaughlin Planetarium to Toronto, because we simply didn't have enough room for it in our area.

But one of the more severe types of lapses of ability to realize what is going on in the area, is the statement on page 14, with regard to employment opportunities and lay-offs in the regions. It is pointed out that in Pickering, 55 workers were laid off indefinitely by K. K. Coulter Ltd. You add they were taken back in October.

Mr. Chairman, I can find no record of a firm by the name of K. K. Coulter in Pickering, and I wonder whether this type of fact-finding is what goes into other TEIGA-type estimations.

Indeed, speaking of regional government and the necessity to constrain dollars, I look at page 51b, where this report suggests the setting up of an industrial promotion board—another one. We already have two industrial promotion boards, both regional and the municipal, and now you're proposing to add another one to it.

[4:00]

I note at the bottom of the same page that 70 per cent of the government financial assistance in promoting industrial lands will be given to Oshawa, 20 per cent in South Pickering and five per cent to Ajax and Bowmanville. I bring you a message: What is the matter with Whitby? Are we not entitled to the same type of government assistance that our sister communities are getting?

I also note other types of duplication. On page 54 you are proposing a near-urban park in Chalk Lake. Are you not aware of the fact that the North Pickering plan already includes a massive recreational complex just five miles away from that?

Mr. Bullbrook: This is devastating, you know. Absolutely devastating.

Mr. Godfrey: Indeed, this type of compounding of errors seems to me to be almost a labour-making activity within your department, because we are concerned about labour in that region and you have taken good cognizance of that. You've pointed out, on page 22, about 72 per cent of our employment growth in this region will be concerned with the service sector. I think that sounds like a very good idea, but unfortunately on page 27

you've also pointed out that North Pickering will give a special emphasis to the development of the service sector: "Highest order of services" in North Pickering.

Indeed, I wonder what is meant by the minister when he refers to the service industry. I put the question to the Minister of Housing (Mr. Rhodes) when we were discussing the North Pickering project and asked him what the Treasurer had meant when he spoke of high-level services. He did not know. I hope you will pass it on to him, because before we can possibly consider further housing in that area, we simply must have more industrial opportunity.

I don't know where you are going to get all that industrial opportunity. Because looking at the companion document which went around with the Durham sub-region one, I note in the Renfrew county development strategy, you're promising them that by stimulating the resource industry and particularly the manufacturing industry, we'll be able to get more people into the region and be able to get more housing into the region. And looking at the Simcoe-Georgian area, the same litany of promise of more industry is apparent.

In wonder, Mr. Chairman, where all of these industries are going to come from, because at present in our region we have 8,000 unemployed. We have serviced industrial land which is waiting for industry to appear. Indeed, I sometimes wonder whether these documents are quite worth the paper they're written on. When I read them they smack so much of a typical laxative ad which, according to page 29, emphasizes "reliability, comfort, speed and regularity." Thank you.

Mr. Haggerty: I want to make a few comments on vote 1006, item 2, urban and regional planning.

I was most interested in the remarks from the member for Welland-Thorold (Mr. Swart) and the response from the minister concerning those remarks. Perhaps the minister summed it up when he said: "If you're not happy here go back and get elected to regional council."

I will tell the member for Welland-Thorold that that reminds me of when the original Niagara bill was passed through the Legislature back in 1969. That was about the response that was received from the minister then, when he said, "If you're not happy with it that's just too bad."

We had very little time to discuss the Niagara region bill. It was pushed through here—rammed through perhaps—in one day. It was

presented to the members of the House, I think, at about 2 o'clock in the afternoon, then we went into full debate, and debated until some time early in the morning.

As Liberals we did not support the bill at that particular time and there were good reasons for it. One of the reasons was that—and I can well recall the then member for Niagara Falls, Mr. Bukator, and myself said it—the Niagara region bill included too large a community—it extended from Lake Erie to Lake Ontario—and in combining the two counties it wasn't going to solve the problem of the immediate areas. We thought that the region boundaries should have remained as the existing school boundaries are at the present time—as the boundaries of the Niagara South Board of Education, which took in the boundaries of the former county of Welland. We said that this was a large enough unit for regional government, that the county was a regional form of government at that time, and that you should extend a little more power to them so they can go out and provide additional services to the urbanized areas outside the cities. Our response wasn't too well received by the Legislature at that time and now we're stuck with the regional bill.

Mr. Shore: Did the NDP support that?

Mr. Haggerty: Yes, the NDP supported that most heartily. They're all for regional government. I've noticed a change in the thinking of the member for Welland-Thorold at the present time. I can recall, when I sat on county council and he was a member there too, he went to Europe and attended one of the studies on a regional form of government in Sweden. Then he came back and sold the idea to the county council as a great one and sold regional government to the minister at that particular time as well.

So there are some changes of views of persons who are interested in regional government and I'm glad to see that there are some changes. He brings out a valid point in his suggestion that there should be a committee of the Legislature.

I attended one of the sessions with the commissioner appointed to review the Niagara regional government, Mr. William Archer, and I suggested then that we should go back to the former county boundaries as a regional government. We should have a regional government to the north and a regional government to the south. As the member for Welland-Thorold outlined, one of the purposes of the Mayo report was to preserve the farmland. That has not taken place. In fact, I have a recent communication, a summary

report from the regional Niagara planning committee. It deals with urban area boundaries. It goes on to say, and I'd like to quote some of it:

SUMMARY REPORT REVIEW OF
URBAN AREA BOUNDARIES

The Niagara regional council has adopted a policy plan which includes an "Urban Area Boundaries" map showing outer limits for urban development around the communities in the Niagara region. The Province of Ontario has stated its objections to these proposed urban boundaries, noting the use of large amounts of prime agricultural land and requesting a substantial reduction of the proposed boundaries. [I can accept that particular comment, that the government of Ontario is finally moving in and telling them to preserve the farm land. It goes on to say:]

Existing policy: The regional Niagara policy plan was adopted at the end of 1973 and was forwarded to the Province of Ontario for approval. The policy plan included these objectives:

"To encourage urban development south of the Escarpment as a positive aid in reducing urban pressures on unique agricultural lands.

"To keep agricultural lands for agricultural uses, with special emphasis on unique agricultural lands suitable for tender fruits, grapes and market gardening.

"To maintain a viable agricultural industry.

During 1974, the Niagara regional planning and development committee and the Niagara regional council considered and then adopted "urban area boundaries" which are precise lines to define the outer limits of urban development and to prevent urban development on the agricultural and rural lands beyond the boundaries.

Provincial response to the regional policy plan: In September and October, 1975, letters were received from the Minister of Housing and Minister of Agriculture and Food requesting a review of the "Urban Areas Boundaries" map and substantial reductions in the amount of prime agricultural land proposed for urban development. The letter from the Minister of Agriculture and Food includes a statement of factors to be considered in the review of the urban boundaries, such as:

". . . the underlying principle must be that the best food land should be retained.

". . . the requirement of agriculture for the maintenance of large blocks of farm land to ensure economic viability and community identification.

". . . the effect of the shape of the urban area . . ."

When I continued to look into this brief that I have before me, I noticed in the urban boundary proposed changes it affects all the municipalities lying north of the Escarpment. That would take in the city of St. Catharines, the town of Niagara, the town of Grimsby and the township of Lincoln. I noticed in the outline they have some proposals to change the area boundaries which, no doubt, is going to take good, viable farm land. When I look at Niagara-on-the-Lake I can see the boundaries extending out there and around the little community of Virgil, I guess it would be, where they're going to extend the boundaries there; this is certainly going to take good farm land out of production.

I think the member for Welland-Thorold was right on when he said there is the urban development. You can see it when you are going from Stoney Creek down to Niagara Falls, Ont. You can see the urban development in a particular area. You can see that orchards are being bulldozed over. You can see the development along the Queen Elizabeth Way, the showcase for light industry. All the good farmlands are disappearing. One of the problems when the regional government was established in the region was to preserve the farmlands.

I find from the different items I have come across in the region's newspapers concerning regional government that when they set up a programme in the urbanized areas to provide services, sewers and pollution control abatement programmes, plants and facilities, all the major construction is being taken north of the Escarpment. Their establishment perhaps by the regional government is taken on a priority basis but I can cite a couple of instances in the Niagara south area where municipalities have been waiting for expansion in municipal sewer services and pollution plants but construction has been delayed because on a priority basis it is all being spent around the St. Catharines area.

I feel, as long as regional government is going to move in that direction, we are going to see more good farmland disappear. Hopefully, from the comments that I have brought to the attention of the minister, the government is deeply concerned about it. They know it shouldn't take place below the Escarpment. I hope they stick to their guns and there is a

change in the thinking of regional government. If there is going to be any development, it should take place on less valuable farmland.

I can cite areas around Fort Erie and the city of Port Colborne that are not suitable for the best farmlands. This is where the development should take place. The only way it is going to take place in that particular area for housing is with more provincial aid from the different ministries to provide the capital to provide the sewers, treatment plants and all the other necessary services that are required. I think that is the only way that you are going to save the land there.

I remember a statement I made in the House back in 1969 concerning regional government. I said then that regional government for the Niagara Peninsula would be too costly, and it is costly. Take the cost of planning alone across the region. This is where the minister should come in and provide additional funding for the planning committee or the planning area of the regional municipality of Niagara. There's no doubt about it that you have put more responsibilities upon them at this level where there is more input by local representation, but again it has put an additional cost on them. I think perhaps the only way the regional government is going to function and operate in the region of Niagara is if you continue with additional grants for that type of government. If not, it is not going to produce what it is supposed to and it is going to be a complete failure.

When the Archer report comes in from the commissioner there, I hope he says it goes back to the two former counties. The problem wasn't in the former county of Welland; the problem was in Lincoln county and the problem is still there today. I say that people from the southern part of the peninsula are paying much of that cost to develop that area, which should never be. I hope that the minister will take this into consideration and perhaps go along with what the member for Welland-Thorold was saying, that there should be a select committee.

I was interested in the conclusions in "Regional Government in Perspective: A Financial Review." On page 39, conclusions, it says:

The review has outlined the municipal organization and fiscal changes without evaluating their effectiveness. In terms of financial performance, it seems that changes were appropriate. However, the effectiveness of municipal reform should be examined periodically. Such studies are now under way in Niagara, Ottawa-Carleton and

Metro Toronto. The findings and recommendations of these studies will be useful when changes in other recognized municipalities have to be considered.

[4:15]

The point I want to bring to the minister is that from the comments in that particular part all you are interested in is that you are going to go on and continue with regional government throughout the Province of Ontario through some form of reorganized municipalities and you are going to find out from the mistakes which have taken place in the other regional municipalities which have been established now. You are not going to provide any ways or means to improve regional government in these particular areas and all you are looking forward to is how you are going to reorganize other regional governments in the Province of Ontario. Hopefully when the recommendations do come forward from the commissioner, you will not sit on them and you will move on them. Hopefully, they are going to be to the benefit of all those people in the Niagara region.

Mr. Stokes: I want to speak for a few moments with the minister on regional planning as it relates to regional economic development, particularly in northwestern Ontario.

As you are well aware, the hon. minister travelled to Thunder Bay to lend credence and give support to and to make the announcement that the Design for Development strategy for northwestern Ontario, as envisaged by that report, had been accepted as government policy. Everybody in northwestern Ontario who was looking for either social, economic or cultural improvement in that area looked to Design for Development as the vehicle whereby a good many of their needs and aspirations might be attained. It's become quite evident to both the people in the region and the people within the ministry now that since most of the conventional wisdoms were based on data compiled in the late 1960s there was a need for an upgrading of the Design for Development strategy for northwestern Ontario.

It is also becoming quite clear to MAC committees and those people who are responsible for articulating the needs and the aspirations of people in the north that they must have an overall development strategy provincially with which to relate. It makes very little difference what we try to attain or aspire to in northwestern Ontario in anything which involves the provincial government or the federal government unless we have an

overall national development strategy or at least a provincial development strategy with which to relate.

It's for these reasons that I would like to ask the minister what initiatives have been taken. I'm talking really about new initiatives because the Design for Development for northwestern Ontario was the first one accepted as a development strategy anywhere in the province. Of course it was brought in at almost the same time as the Toronto-centred region Design for Development. Any time we're looking for development strategy anywhere in the province we should be looking to see what is being done in other areas of the province so that we can relate to it.

We realize that if we're going to aspire to any form of financial assistance from the province we must keep in mind that it's all the one economic pie and it can only be cut so many ways. If we're aspiring to something in northwestern Ontario which seems to be unrealistic or unattainable because it isn't high on the list of priorities of this government, obviously we have to take that into consideration.

In the Toronto-centred region plan one of the things was they were adopting this plan as government policy so that this magalopolis—they called it the St. Lawrence—Great Lakes megalopolis—would be in a better way to handle all of the resources coming from the north for processing here in the south to satisfy the markets down here and in the mid-western United States. Now that we do have a sense of direction, we've tried on the Design for Development for northwestern Ontario for size for the last three or four years. We realize what its deficiencies are and I think we in the north realize what must be done to bring it up to date so that we can integrate it with the social and economic scene as we see it in northwestern Ontario today. Obviously we're going to have to have the assistance of this ministry.

To be a little bit more specific, we had a conference in Quetico Centre just over a year ago wherein we assigned ourselves the task of indicating what our manpower needs were at present and what they likely were going to be in that sector of the province over the next five to 10 years, based on the kind of development that was on the drawing board and already in progress.

In our quest for answers and solutions to the problem of attracting and retaining manpower in northwestern Ontario, we said, how do we attract professional, skilled and semi-skilled people to that area? What kind of lifestyle will we have to provide them so that

we can attract and hold the kinds of people that are necessary to keep our resource-based economy going? This included professional people in the resource-based industries, mining and forestry; it revolved around the needs and, I might even say, the demands of people for medical and health services, water and sewer services—all the infrastructure that people demand before they will pick up their belongings and move into a different kind of economy and a different kind of lifestyle in the north.

While it doesn't come under this item—it comes under the next item—the DREE-Ontario general and sub-agreements obviously are going to have to be called on to the greatest extent possible to satisfy the social and the economic needs required to attract the kind of manpower we're talking about. It's quite evident now that we could employ another 5,000 people in northwestern Ontario if we had the services and were able to attract professional, skilled and semi-skilled people to that area. We can't do so at the present time because we don't have the infrastructure services, we don't have the kind of economic base with which to provide them, and we're never going to get it without some kind of joint assistance from the federal and provincial governments.

I think it's absolutely essential that the minister and this government pay attention to the kind of problems that are somewhat unique to northwestern Ontario. We don't have an employment problem except in very rare instances in the extreme north, where it's very difficult to get the native people involved in economic development because of the great distances, because of a lack of transportation and communications, because of the lack of education of those in the far north and because of their inability to integrate into what is happening, economically at least, in the north.

We need a manpower strategy, a development strategy, which we can relate to down here. More than anything else, I think we need somebody in northwestern Ontario to co-ordinate all of the government programmes. As the minister well knows, the person responsible for co-ordinating the development policies of this government is located in the Frost Building over here. It's extremely difficult for somebody who's making decisions at the local level, and I even assume it's extremely difficult for people within the various ministries—Treasury, Economics and Intergovernmental Affairs; Housing; Environment; Natural Resources—to co-ordinate all of these activities that refer

to regional economic and social development if they have to liaise on a regular basis with somebody who may be on the seventh floor of the Frost Building.

I think the government could decentralize its activities to the extent of liaising with somebody on the scene, somebody who lives there, somebody who understands and can engage in an ongoing dialogue, and if the minister would give them some of the decision-making powers that you reserve to yourself, who better to make those decisions than somebody up there? I realize you can't give them a blank cheque but I think there are a good many of the day-to-day things which can be resolved at the local level if you had those people on the scene given the opportunity to make those kinds of decisions, in keeping with an overall development strategy for the region and the Province of Ontario. I don't want to take up too much time of the committee but I wish the minister would respond to those few remarks.

Mr. Chairman: I am wondering if the minister would like to respond to some of the remarks of a few of the previous speakers before we go on?

Hon. Mr. McKeough: Mr. Chairman, I certainly will reply to those last remarks of my friend from Lake Nipigon. The northwestern Ontario report is being upgraded. We are working with two groups really.

There is the public service advisory board, made up of civil servants in northwestern Ontario. I don't know how many ministries are represented on that group; I met with them a couple of times. I would think there are a dozen—more than half a dozen—probably a dozen ministries. All the ministries represented on it or practically all of them are represented in Thunder Bay. They are attempting to co-ordinate the input of the provincial ministries into an updating of the northwestern Ontario plan.

The other group, which is equally important—perhaps more important—is the municipal advisory committee which has the municipal input. Hopefully, the citizen input comes either directly or through the municipal advisory committee. They are meeting together and meeting with our people.

The timetable there is that probably we will have a new strategy—not a plan I would think but a strategy—late this fall which we would then publish and put forward as a new target—one hesitates to use the words a new five-year plan but I will succumb to using them—for northwestern Ontario. We'll put it out for discussion purposes and comment and

then after that produce the final document again.

The first plan has served its purpose. The targets were mainly met and there is no question it's in need of upgrading and that is going on.

Manpower studies are part, I understand, of that. That was a specific question.

I don't disagree with what my friend has said about the necessity of federal-provincial help particularly through the regional priority budget or through DREE. I detected in what the member said—I don't want to put words in his mouth—but I would agree there is no question that one of the ways we will attract more people to the north—or for that matter to the east or for that matter to zone 3 of the Toronto-centred region—is a concentration of resources.

That doesn't sit well but it is probably a fact of life that you need a reasonably large centre or a growth centre and it is going to have the greatest number of attractions. If it were not so, more people would live in small towns and hamlets and villages as opposed to living in cities. The fact is the larger the community, up to a point, the greater the magnet and the attraction becomes.

Thunder Bay, to some extent, is achieving that purpose in northwestern Ontario. I suppose it achieves some of it at the expense of some other community, regretfully, but one hopes and expects—there is no way of ever proving all this, I suppose, statistically—the concentration of resources is going to encourage a greater growth and indirectly make life more amenable in the surrounding area in the region itself.

That's been the philosophy and it is the philosophy. Of course, a great gob of money has gone into the city of Thunder Bay from both the federal government and us in terms of sewers and water which, hopefully, is assisting in opening up more land for development, both industrial and residential, and has kept taxes down. Taxes were actually reduced in the city of Thunder Bay this year, so I am told, on the municipal side. I don't know about the school board side. I think they have spent some reserves but it doesn't matter. At any rate, they didn't go up as they have gone up in some other places.

[4:30]

[All those things should make it more attractive and more desirable. I can't help, though, but agree with the fact that within our priorities we have got to try and find more, particularly for some of the areas with growth potential; or which are in fact grow-

ing, like Timmins, like Thunder Bay; like the municipalities which the member is particularly familiar with, the Kimberly-Clark municipalities; and there are others.

Finally, there is nobody over on the seventh floor who has anything to do with project administration. They are all there to support the minister, and he does nothing to ever implement a project. We still have a small project implementation team, who now are chiefly concerned with the parkway belt; Wasaga Beach we still have. And some of the things—

Mr. Stokes: What does our friend Andy do?

Hon. Mr. McKeough: He is part of that. The emerging things in the north, if I can put it that way, are identified. Having identified them and hopefully found the answers, then we move to—I was going to say dump them, but one wouldn't want to say that we dump things in the north. We have made the conscious decision to try and move them out to the operating ministers.

We have adopted in the last six months, I guess, something called "the lead ministry project," which is really under the wing and auspices of the Provincial Secretary for Resources Development. You may want to talk to him about it during his estimates.

But we have identified problems, and others have identified problems. They come to the resources field. Sometimes they go to ACRD first, to the deputy ministers, and then to the resources field. Either before they get there, or at that meeting, somebody identifies who would be best able to take on the co-ordinating role for that particular problem.

Now, examples of this would be Hornpayne, which I think is the Ministry of Housing. We have another one coming next week, which will probably be Housing. I think the Environment will have a role in several places, and certainly Natural Resources will. But there are some where we will be continuing to play the lead role concept.

In some cases, it's a person in the north. In other cases, it is somebody here. It varies from situation to situation. But we try and establish one ministry as the lead minister, which really means having a civil servant who is chairman of the group and who should be the single point of contact.

Of course, there is no sense building a school or a hospital if we haven't got the water lines and the sewer system ready to go into it. Hornpayne is a microcosm, and the member is aware of that particular one, where it is going to be necessary—and I have

lost track of it. I have heard nothing about it now for two or three months, which is probably a good thing.

The involvement of half a dozen ministries is necessary if the thing is to be done in a co-ordinated way and is going to work—and so that's how it's proceeding.

I have just been handed a note as to what we still have at the moment. The resource communities and particularly—Moosonee, of course, is still very much ours. Then there is the servicing in Matachewan as a new important district; Pickle Lake servicing; and there may be some others.

(But as soon as we can, we really do attempt to move these out into operating ministries, and particularly ministries which have offices in the field. Natural Resources is the best example of this, where they have people all over the north and they can take on this role, rather than having somebody from down here do it.

Mr. Chairman: The hon. member for London North.

Mr. Shore: Thank you, Mr. Chairman.

Hon. Mr. McKeough: Just before I sit down, the member for Windsor asked about the Essex restructuring study which is under this item, and I apologize for thinking it was further on. Like the others, it is a cost of \$100,000. It may be more than that, but then that is the problem of Windsor and Essex. As far as we know it is \$100,000, which will be split 50-50 between the province and the county. We pay to a maximum of \$50,000. The cost to date has been \$86,000. It is due this summer.

Mr. Shore: I suppose much has been stated on this regional government concept and its economies and probably much more will be over the years. I would just like to comment for a moment on the recent study by Treasury and Economics called "Ontario Tax Studies No. 11. Regional Government in Perspective, A Financial Review." I have had an opportunity of reviewing this generally and, if I can suggest anything, it should be essential reading for all the ministers and their senior officials, in my opinion, along with all the members of this Legislature and particularly all municipalities.

In its preface it says:

This study examines the performance of the regional governments created in Ontario since 1969. It focuses on the financial dimensions and shows the impact of reorganization on local spending and taxing.

It is hoped that this evaluation of past performance will assist the local government sector in the ongoing process of structure and fiscal reform.

I think that is a very positive statement to make. I would certainly hope, before any municipalities or governments take any serious steps as to a move towards regional government, they spend some time in analyzing this document. I certainly hope, for example, the city of London would do that and probably all municipalities. That is not to say there isn't a place for regional government, but it is one of the few times that there is some specific information that relates to the economics of it. I would just like to summarize a few comments that I have in my quick review of this document that was released in May.

For the information of the committee, it is interesting to note between 1970 and 1975 regional governments increased their spending by 159 per cent; Metro Toronto increased by 102 per cent; and the rest of Ontario by approximately 65 per cent. Since one of the prime reasons for the reorganizing of local governments was the expected growth in designated areas, a fair way to measure this increase in spending, apparently according to this document, was on a per-household basis, which may or may not be true, I am not certain. The statistics that come out of that are interesting.

The increase in spending then becomes, if you relate it to that, that regional governments between this period of time increased approximately 105 per cent; Metro Toronto 73 per cent; and the rest of Ontario 41 per cent. Then in both methods of criteria you have got substantial increases in the regional governments. Even after utilizing my figures, in my opinion to justify the increased spending levels, the reorganized governments still dramatically outpaced the rest of the province and municipalities.

"Regional Government in Perspective: A Financial Review," illustrates both these points. But the Ontario government, to a great extent blames inflation, amongst other things, but mostly inflation, on the increase in spending. I would like to cite one example of its contribution to that cause, that is, the equalizing of salaries with the imposition of regional government. It is known that invariably when two or more local governments were merged to form a region, in most or many instances, all the salaries and benefits were almost immediately increased to the highest level so that there would be no difference in pay for two employees supposedly

performing the same job. This merely exacerbates inflationary tendencies and certainly was an underlying factor in unnecessarily increased costs of government in Ontario.

I don't want to keep repeating and harping on this point, but I think it is well worth anyone interested in the whole concept of regional government spending some time reading this document and understanding it. In one sense, I congratulate the ministry and the minister for putting forward this document because I think it can be helpful in this review, to these municipalities to make their own decision and judgement as to which way they want to go and, at the same time, not penalize them if they want to continue on the normal municipal basis.

Mr. Bain: Mr. Chairman, I would like to discuss with the Minister of Treasury, Economics and Intergovernmental Affairs an aspect of urban and regional planning that has special significance for the north. I know that regional planning has come in for a lot of criticism in terms of regional government, but when you are talking about regional planning for a wider region such as northeastern or northwestern Ontario, you are talking about the possibility of being able to redress many of the problems and many of the grievances that have existed in the north for a considerable length of time.

In northeastern Ontario we are endowed with a considerable amount of natural resources and this has always been the mainstay of our economy. We also have some problems which I feel must be overcome. The government must be aware of these problems because they have undertaken a number of studies. In 1966, a study entitled "Northeastern Ontario Region Economic Survey" was done by the old Department of Economics and Development. Then we saw another study that was released in 1971 called "Design for Development: Northeastern Ontario, Phase 1;" and finally, we've received the latest study which the minister tabled in the House. This study unfortunately doesn't really say anything that the other two didn't say, and one of the problems that we are faced with is what sort of concrete action will come out of these studies? Do we just get studies for the sake of studies, or are they a prerequisite of a policy that is to redress severe grievances?

The most recent study that was released, on northeastern Ontario development and strategy, has in it a very laudable goal which the minister reiterated when he was in Sault Ste. Marie to speak to the Federation of Northern Municipalities. The goal as stated

in the study is to promote economic development in a way that ensures that the benefits will accrue primarily to the people of north-eastern Ontario, that makes best use of the region's potentials and that respects the environment and cultural attitudes of the region.

I don't see how anyone could find fault with this goal. And you go on to say in that same speech that the four basic areas would be greater stability of production, employment and earnings; increased diversity of jobs; improved productivity and earnings; more jobs and a larger population.

As I said, I'm sure that everyone in northern Ontario and northeastern Ontario applauds you for this kind of statement. What we are waiting to see is what concrete steps will be taken to achieve this goal.

In my own area, in Timiskaming, we have been faced with the problems of the north in a microcosm. We have been faced with a diminishing population and if you look at the population statistics, you will see the population hasn't changed since 1941. In fact, the most recent statistics, for 1971, are beneath the original projection and actually our population is beginning to decline slightly. Since 1941, the population in Timiskaming has remained at about 50,000. This indicates that there are people that are leaving the area. Young people are growing up in the area; they want to stay in the area; they want a job, but they are forced to move south.

The only way that I can think of this is in very human terms. Yesterday, I had a group of students from grades 7 and 8 in the English Catholic Central School in New Liskeard, down to visit the Parliament Buildings. Like most members do, I talked with them before the tour and all I could think about as they were asking questions was how many of these young people will be forced to come south to seek jobs.

[4:45]

The Treasurer mentioned in an earlier statement this afternoon that people go to the bigger centres for various amenities; they go to the bigger centres because there are more attractions there. The people who leave the small villages, who leave their rural communities in northern Ontario, go to the bigger centres not for all these amenities, not for all the cultural facilities. They go to the larger centres for one reason only and that's for jobs.

In northeastern Ontario we are not getting a fair share of the economic and industrial development accruing to the rest of this prov-

ince. The most recent study done in north-eastern Ontario simply restates the things we already know: That the economy is basically a natural resource economy and our prosperity is based on the mines, the forests and the farms. We already know that.

The study goes on to say that there are problems of transportation and I would say that that is an understatement. One of our biggest problems is transportation and the fact that it costs more to ship something into the north than it does to ship the same item out. Basically, the ONR seems to operate as a railway designed to move our resources from the north in a cheap fashion so that they can be processed in the south. But the ONR doesn't operate to encourage any sort of development in northeastern Ontario.

Another item in this study disturbs me and the minister alluded to this in his Sault Ste. Marie speech. He said the study recommends that priority for additional economic development should go initially to four cities. These are the subregional cities of North Bay, Sudbury, Timmins and Sault Ste. Marie.

This is not going to redress any of the existing problems. Because of the structure of the economy in general any growth which takes place in the north and in the northeast in particular tends to go to these larger centres. If you are going to encourage more development in these larger centres you're just going to be encouraging the status quo.

What we need is development all across northern Ontario in the smaller communities. We need development in area service centres and in local service centres. The area service centres, such communities as Kapuskasing, Kirkland Lake, Moosonee and tri-town, which consists of Cobalt, Haileybury and New Liskeard, are the areas in which the government should make the initial expenditures of money to encourage development.

We're already going to get development in Timmins, Sudbury and North Bay anyway. That development is going to take place so if you hope to redress any of the imbalance that exists, you have to assist growth in some of the other communities such as Kirkland Lake and the tri-town area, as well as some of the other communities which you designate as local service areas.

The people in the north aren't asking for anything they shouldn't receive. They are simply asking for reasonable development; they're asking for jobs and they're asking that their children should not all have to leave the area to come south to the Toronto-centred region to find a job.

How are we going to achieve this? How are we going to achieve the redirection of growth? Certainly the study you tabled in the House on April 8, Northeastern Ontario Development Strategy, doesn't suggest how this is going to be done. There are going to have to be some concrete actions taken.

I would suggest two specific things which can be done. There should be an investment fund set up. This investment fund could be established by taking 50 per cent of the revenue the government secures through the mining profits tax. After all, this mining resource is part of the basis of prosperity in all Ontario so it makes sense to take some of the profit from that resource exploitation with the view in mind that it would be ploughed into the north. We could also put money into the investment fund by taking some of the money you secure from corporation income tax.

This investment fund, quite simply, would operate on the basis that any company which paid into the fund would be given as much as 30 per cent back in the form of grant if they would establish an industry or a plant in northern Ontario. That would be 30 per cent of the cost of establishing that development in northern Ontario. This could be one concrete way of redirecting growth.

Another way which I think is possibly the most important and possibly the only realistic way is an overall plan tied in with a development permit system. This development permit system would function in much the same way as a building permit does. Today, anyone who wants to build a home has to get a building permit. Anyone who wanted to build an industry or establish a plant would also have to get a building permit.

As an example, a company which wanted to locate in Ontario would apply, for the sake of a better name, to the Agency of Industrial Development, or AID for short, for a permit to build a new factory. In this case, the company wants to locate in Metropolitan Toronto. In consultation with the company the agency would determine that Metro Toronto is becoming congested with industrial development and, on the basis of an overall provincial strategy for development, which is absolutely crucial, the company would not be given a permit to locate in Metro Toronto but would be given a permit to locate in a designated area where this kind of growth is needed. This could be in northern Ontario or it could be in eastern Ontario where they suffer from many of the same problems we have in the north. With all due respect to my colleague from Cornwall, I

think our problem is a little more severe in the north so I would be inclined to suggest that they go to the north. If the company really would be jeopardized, in a competitive sense, by locating in the north this agency could sit down with the company and work out a form of assistance.

This assistance may be a 15 to 35 per cent transportation grant. It might be money they could draw from the investment fund which I have previously discussed. It might be some sort of assistance from the Northern Ontario Development Corp. or some kind of assistance which the provincial government could work out in concert with the federal government through the DREE grants.

This agency would be an overall agency which would implement an overall provincial development plan. The crux of this development plan would be to redirect growth to parts of the province which are starved for such growth. It wouldn't mean that there would be no growth in Toronto. It would simply mean that not all future growth would take place in the Toronto-centred region; some of it would take place in other parts of the province.

Unless we do something like that we're not really going to redress the imbalance. If you look at the statistics, the proportion of the overall provincial population in northeastern Ontario is actually less than it was 15 years ago. We haven't been able to redress any imbalance and there needs to be some concrete policy to accomplish this.

Personally, I'm pleased in one respect by the most recent study released by the minister. It seems to be getting away from the idea that everything has to be in regional centres. There are a number of references in this study which indicate that facilities and development have to be spread over a wider area and not all concentrated in specific regional centres.

I would be very pleased to know what concrete courses of action the minister is going to propose to cabinet and to the House in order to redirect some of the growth of the province. I have mentioned some of the items you could pursue such as an industrial development agency which would redirect growth; also an investment fund, and a revamping of Northern Ontario Development Corp.

In short, we look forward—we hope we look forward—to increased development in northern Ontario which will come about because of policies the government will embark upon after the policies, as enunciated in the

most recent northeastern development study have been implemented. We hope we look forward to more growth and more development in northern Ontario. We hope we will not see in the next 10 years no appreciable change. We hope the next 10 years will not simply yield three or four more studies that will only result in nothing being done and the severity of the problem increasing in Timiskaming and in all of northern Ontario. What specific courses of action do you contemplate in the next short while to redress the problems that exist in northeastern Ontario.

Hon. Mr. McKeough: That was rather wide-ranging. I am not about to advance new ideas in these estimates as to how we propose to encourage more growth in northeastern Ontario. That's what the report is all about and that's what it says. First of all, I think we had better find out from the people of northeastern Ontario, and we will be doing that through the municipal advisory committee, the Northeastern Ontario Municipal Association, and directly, whether it makes sense and whether it is capable of implementation, and whether it is ambitious enough or perhaps too ambitious. In the meantime, we are spending moneys in northeastern Ontario and will continue to do so. There is the industrial park in Sudbury and the industrial park in Parry Sound. We hope to sign an agreement reasonably soon with DREE with respect to Timmins and also with respect to Elliot Lake and the north shore generally. The total of those four or five items, probably to be spent this year, comes to something like \$6 million in northeastern Ontario alone.

Some of what the member had to say should be more properly discussed with the Minister of Industry and Tourism in terms of the Northern Ontario Development Corp. We have no plans to set up a separate investment fund. Finally, I would just at the moment say we are not in favour of and do not subscribe to some sort of a permit system.

Mr. Cunningham: The Treasurer knows my views on regional government in general. While I appreciate the needs to reorganize and restructure many of the municipalities within our province, and I guess history would record that maybe this is long overdue in many areas, you know my feelings as it relates to the area I represent. Early last year when I was hardly here very long I spoke on the need for a review of regional government.

The basis of my concern was the tremendous imposition upon the constituents that reside in the regional municipality of Hamilton-Wentworth as far as it would relate to the increased taxes they face. As you are well aware, the imposition of additional services has cost a lot of money. If history would record it, I am sure you remember the very arduous task that our good friend, the member for York East (Mr. Meen) had when he was deemed to be the individual to go out to Hamilton area and sell this idea. You are probably aware as well that the citizens of that area weren't particularly in favour of the idea of regional governments. You offered them the choice of a one-tier system or a two-tier system. Never on any occasion did we entertain any discussions to whether or not we should have a regional form of government or what area I spoke on the need for a review of regional we should take in. I am sure history will record the error in this government in omitting the city of Burlington from it and ignoring the Steele Commission and, I am sure, creating the kind of imbalance between an urban area and a rural area that exists at the present time.

You will understand, as one who is very well versed in financial matter and certainly much more capable than I am in that particular area, the problems that face the taxpayers in the area. We currently have two school boards. We are the only county where the school boards, both public and secondary, have not settled. Part of the reason for that is that we are facing an election year this year and the individuals on the school boards are very reluctant to raise municipal taxes in any way as it would possibly jeopardize the chance of their being re-elected.

[5:00]

At the same time, we probably have one of the poorest pay scale levels in the Province of Ontario. As a result of that, we're losing good teachers on a regular basis. Consummate with that, as we reduce the amount of money available to the regions through the transitional assistance that you provide, the tax burden goes up. I think you would have us believe—and I read this in the book that you so kindly provided us with—that this cost refers directly to a demand for services by people in the area, and I'm sure some people do require sidewalks and things of that nature.

But the cost that is being borne on us, especially the rural citizens in my community, does not relate in any way to an

increase in services. In fact, I think it would be exactly the opposite—a decrease in services.

One of the reasons we're having an increase in costs is a duplication in services. I challenge you to spend some time in that region. You would find that there is apoplexy at the centre and anemia at the fringes.

Mr. Samis: You wouldn't use those words when you were talking, would you?

Mr. Cunningham: I use them in Wentworth North all the time, and they understand them.

Very clearly you indicate in this book here—and, again, I do appreciate it—the sources of revenue that we have for the municipalities—property taxation and provincial assistance, which is declining. I think the irregular basis upon which we fund these areas causes a great deal of ad hocery in the local governments. I think in my particular area they've tried to adjust themselves to it very well. I think it's a credit to those municipalities.

Another source is borrowing; and they're borrowing much more heavily than they ever have in the past. And then you relate to other revenues, licences, etc.

Two further complications that affect my region adversely are the parkway belt and the Niagara Escarpment Commission. The delays in planning and in subdivision approvals, even in the approval of an individual lot, Mr. Minister, is really beyond comprehension. Some people have to go for over 3½ years to get a separation for a son or a daughter for their farm.

Just last week I attended an Ontario Municipal Board hearing. The province wasn't represented at it, but the council for the region were objecting to a severance for a farm lot so a son could live on the farm—in fact, participate with his father on that farm. The council for the region would have us think that we should have all the development occur within the city of Hamilton. Clearly, Mr. Minister, I don't think that was the intent of regional government. At the same time his family, to effect a separation, had to hire a legal counsel and were really put through a great deal of aggravation.

The land use dilemma here is a serious one. In many areas, because of the planning confusion, we have developments going in on good farm land—class 1 and 2. When somebody comes in with land that is literally of no use for anything else but a housing devel-

opment, we see a very difficult time in getting approval. I would submit the delay is so very expensive that it almost makes the purchase of a house prohibitory—especially for younger people.

Very briefly, I'd like to leave with you my concern about the reduction of services that is continuing to occur in this particular region. On May 28, bus transportation will end within the town of Ancaster. Prior to regional government we had a good system and a system that people participated in. Now, as a result of the reluctance by the region to continue to provide services to that area, bus service to the town of Ancaster will be discontinued. This means that it's going to be extremely difficult for the many people without their own transportation resources to participate in using the facilities in the city of Hamilton, as they have in the past.

The services have declined in many other areas. Roads in west Flamborough particularly are in a serious state of disrepair. Just last week it was of interest to me to pick up the *Globe and Mail* and to read its report on the conclusion of your convention and about the demands of your party for political consultation and a more open type of government.

Mr. Minister, I think the time has come—and this is the third time now I have asked—for a regional review of Hamilton-Wentworth. You currently are undertaking reviews in Niagara, Ottawa-Carleton and Metro.

I'm saying that I think the unique situation in this particular area requires us to have a review in Hamilton-Wentworth so that we can stop, as soon as possible and possibly before the final plan is effected, the duplication of services and the general inconvenience that affects the people in the region, such as the numbering of the roads.

I don't know if the minister has been up Highway 6 lately, but it's amazing. You go from regional road 5 to regional road 43. The logic there just absolutely and totally escapes me. I really can't fathom that. Before it was the fourth concession and the fifth concession and the sixth concession which was something that even I myself understood. Now people are getting lost. They have a very difficult time as a result of something as simple as numbering the roads.

I won't bore the minister with this any more, but I think he understands the particular ramifications very specifically as the result of a lack of consultation. He knows, as a result of the activity on behalf of the citizens of Hamilton when the Chedoke Hospital facility was threatened, how ready they

are to participate in this process. I think the time has come where we recognize that this particular system is not functioning as well as it could. With an effective study, I think we might effect some meaningful change that would not only save the people, especially in the rural areas, some tax dollars, but as well provide the kind of services I think we were talking about when we tabled our design for development for the area west of Toronto.

Mr. Chairman: Does the hon. minister have any response? The hon. member for St. George is the only member who has indicated she wants to speak on this item.

Mrs. Campbell: Yes, I do. I must, first of all, express a regret that other duties have kept me in other committees. I trust I shan't be repeating any of the discussion that went on before here.

I just want to draw the attention of this committee to the programme description which is indicated as that which covers this particular vote. In part, we read that the programme:

... institutes planning and organizational guidelines for more effective, responsive and responsible local government and assists in the achievement of a community environment that will satisfy local needs and aspirations, [albeit] consistent with provincial goals and objectives.

Mr. Shore: That's the hook.

Mrs. Campbell: It is to that particular portion of this rather pompous statement I am addressing myself. I am expressing the concerns, I believe, of the people of Toronto at the fact that really there is no way that a local government can usefully proceed to plan on any long-range planning proposal. We, at this point in time, do not know what the goals and objectives of this ministry may be or what input it is having in the developing dichotomy between the two planning areas, the local planning boards and function and Metro.

Because this government has found it so difficult to plan and to continue to meet its commitments to the people of this area particularly, there is grave concern that it will probably wake up some day soon and that again there will be some planning in advance of the Robarts Commission report which may indicate indeed that Metro will be planning the whole core of the city of Toronto, possibly from Bloor St. south. It is unfortunate that people have this unease, but I have to say that it is the lack of any kind

of consistent policy that makes these people very concerned.

Let me, if I may, give an example. I read with interest in the newspaper the column of Mr. Hoy in which he was delineating the positions of the various leaders with reference to the Spadina Expressway.

It is interesting that Mr. Hoy, when the Leader of the Opposition discussed the possibility of a crosstown expressway, rather mocked the politician for raising this spectre which has been withdrawn by politicians over many years. Of course, what he didn't explain is that the commissioner of traffic and roads for Metro has never at any time withdrawn the crosstown. He always explains this sort of position by saying "Well, that was that council."

One sees the thrust of the bureaucrat at Metro and the terrible dangers of the bureaucratic procedures at the provincial government which may well affect the whole future of this area without any kind of ability of a local government to be either responsible or responsive because its powers have been eroded consistently since Metropolitan Toronto came into being.

I have queried the Ministry of Housing as to what input it is having in this whole planning process. The answer, of course, is it is co-operating with Metro.

I would ask this minister to make it abundantly clear that at least at this point in time we shall await the report of the Robarts commission and that as far as he is concerned he is prepared to allow local initiative to have a full voice without his influence being superimposed once more upon it. Of course, we know that once the Premier of this province defaulted on his commitment to the people and raised again the Spadina issue that key issue brought into being 400; it brought into being the Scarborough extension and will probably, if Metro has any control at all, bring the crosstown as well.

This, of course, will have a great deal of bearing on the planning of the central core of this city. At the same time one wonders at the input into the discussions as to the STOL airport and who is looking at the effect of that from the point of view of the local government? Are we again to find that this government has moved to a decision and to a place without any real consultation with the people who will be most affected by these decisions?

[5:15]

In closing on this portion, if I may, the minister has really, I think, sincerely been

trying to bring in a restraint programme. He has seen the necessity of it, notwithstanding and quite apart from what Ottawa has done. Would the minister not believe that at this point in time, both with reference to this item and to the next, that this might be the useful time to once more bring together that group of people who so successfully put together the prototype, at least for the purposes of developing for the province the service selector indicator programme, which might have a great bearing on the planning and the economic planning of services to communities across this province? It is important, I think, that we still have with us in the ministry Mr. Fleming who did such a fine job in the earlier programme and who I am sure could again bring forward the expertise to develop that particular programme.

Mr. Chairman: Has the hon. minister any reply?

Hon. Mr. McKeough: I just make this comment. Mr. Chairman, with respect to the member for St. George who, I think, is trying to—oh, how can I put this?—is making the case perhaps all of us are paying too much attention to Metropolitan Toronto as opposed to the city of Toronto. And, of course, that's her right as a member representing part of the city of Toronto to make that case. As one who is not either from the city of Toronto or any part of Metropolitan Toronto, I would have to make this point: That in my view the strength, vitality, and economic well-being which we have here in Metropolitan Toronto has in large part come about by the fact that Metropolitan Toronto was created and is in existence and does the job that it does. I doubt very much that we would have had the success—and the continued success—in Metropolitan Toronto and the well-being which we have today if it were still in 13 fragmented parts, or if we just listened to that part of the community which represented A, or B, or C, or D. It may be that Metro doesn't pay as much attention to the city of Toronto as the member would like, but we are—

Mrs. Campbell: They pay too much attention, Mr. Chairman; that is what I am complaining about. They just want to take it over.

Mr. Samis: It is a Liberal caucus.

Hon. Mr. McKeough: It may be that Metro council doesn't reflect all the views of the city of Toronto. We do happen to live in a democracy and Metro council makes decisions from time to time which may reflect

the views of the total metropolitan community of 2.2 million and which may not reflect the views of Etobicoke, or may not reflect the views of Scarborough, or may not reflect the views of the city of Toronto.

I can only say that from my observation what we have had has worked well and I wouldn't want to enshrine in some sort of statement some sort of special status for the core area of Metropolitan Toronto or for the city of Toronto, with—well, I would not want to do so; I leave it at that.

Obviously the whole question of how this area is planned by local people, not by the province, is under discussion as part of the Robarts review. There have been extensive suggestions put forward by nearly everybody except, as I understand it, the city of Toronto, so we will wait and see what Mr. Robarts has to say.

Mrs. Campbell: Could I have an answer on the service selector indicator programme?

Hon. Mr. McKeough: It is in the next vote. I will have a note for you in a minute.

Mr. Samis: I would just like to bring a couple of regional factors to the Treasurer's concern that bother us in the far eastern triangle of the province. When one looks at eastern Ontario one usually thinks it is reasonably homogeneous but I would like to point out that the city of Ottawa, in the whole regional planning concept, first of all, has its own regional planning. Secondly it has a second tier of government with the National Capital Commission; thirdly, its whole economic structure as it affects planning is very different from the communities along the St. Lawrence River.

It has tremendous capital input from the federal government. The term unemployment, I would suggest, is virtually unknown in the city of Ottawa. It is almost totally dependent for its economic development on the federal government. In this sense it is a very different factor compared to communities along the St. Lawrence River.

If we look at another major community in eastern Ontario, Kingston, may I suggest again that there is a very strong federal input in that particular community which affects the whole social and economic planning of eastern Ontario. If you look at the fact that the penitentiary system and the military college are two of the largest employers in that area—and very traditional employers in that area—again, the city of Kingston, although it does have industry and does depend on other factors, does have

that built-in cushion which other communities in our particular part of the province do not have.

If one looks at the remaining substantial communities—I refer to Belleville, Cornwall, Hawkesbury, Renfrew, Arnprior and Pembroke—we are essentially dependent on the economic factors of the province, the economic trends of development and governmental involvement.

One particular problem along the Ottawa Valley and the Quebec border which I would ask the Treasurer to consider along with his colleague, the Minister of Industry and Tourism (Mr. Bennett) is that we are in constant competition with the Province of Quebec for economic development. Initially, to some people, it seems very favourable to be located so close to the Ottawa and Montreal markets but, as you are aware, because of the very different system of grants, incentives, loans and subsidies being offered by the government of—

Hon. Mr. McKeough: Purchasing policies.

Mr. Samis: Purchasing policies is right; we agree on that 100 per cent. These policies being followed by the Province of Quebec and obviously the political clout they seem to have with the federal government—more DREE grants and regional grants of other sorts—do put our particular part of the province in a very difficult competitive situation vis-à-vis attracting private industry through the Ministry of Industry and Tourism.

All I would ask in your overall planning is that you take special consideration of that fact. My colleague from Timiskaming has pointed out the geographic problems of his area based on distance and possibly some sense of isolation. Our particular area may not be geographically isolated but, in concrete political terms, we are isolated from Queen's Park and next to a bureaucratic, political Liberal monolith which puts us in a very difficult situation.

I would ask that in your planning process you give due consideration to the communities along the St. Lawrence River, east of Kingston, and those along the Ottawa Valley which face similar problems all along the valley.

Hon. Mr. McKeough: May I just comment on that? My colleague, the Provincial Secretary for Resources Development (Mr. Irvine), and I had a lengthy discussion about some of the eastern Ontario problems. We don't

lose track of them; he would not let me lose track of some of those problems. I make one point: Some of the things you have raised I think are very difficult to do anything about, and I would regret our doing something about them, vis-à-vis the Province of Quebec.

Sometimes they play a game a certain way and I don't think we should get into that game. Unfortunately, at times, that has had some repercussions which often hurt some of our industries, large and small, but I would regret very much if we started to get into some sort of retaliatory position or attempted to keep up with it.

Mr. Samis: I didn't suggest that.

Hon. Mr. McKeough: I know you didn't but I point that out. I don't know what the answer is. We draw it to their attention every now and then. It must be particularly galling—is that the right word?—that close to the border.

Mr. Chairman: Shall item 2 carry?

Items 2, 3, 4 and 5 carried.

Vote 1006 agreed to.

On vote 1007:

Mr. Swart: I would like to deal with three items under this vote under the heading of tax reform. The first item I want to mention and to document is the regressivity of the property tax. The Treasurer constantly alleges that the property tax no longer hurts those on lower incomes. In this year's budget, he goes as far as to say: "With the introduction of the property tax credit system, which virtually eliminated the regressive features of the tax, the revenue-raising capacity of property taxation has been greatly enhanced." I want to say that that statement is totally incorrect. It's an anachronism that we even have an item in the budget called tax reform this year. It should be called tax degeneration.

In my budget speech statement two weeks ago, I documented the severe regressivity that still exists with the property tax. A person with a taxable income of \$10,000 pays only 27 per cent more in property taxes on a home assessed at \$5,000 than a person with a taxable income of \$5,000 would pay on the same house. He has twice the taxable income but pays only 27 per cent more in taxes. That's not very progressive. In fact, the \$10,000-income earner would have to own a house worth 60 per cent more before the regressivity would be eliminated at all.

I also pointed out that this year's large tax increase provided a tremendous escala-

tion in the regressivity. The Treasurer did not reply to me at that time; so I raise it and document it here again and call for him to admit it and to provide alleviation by announcing an upward adjustment in the property tax credit to apply against this year's taxes.

Let me again give examples in some further detail of the hike in regressivity. I would like to send one of these over to the Treasurer for his perusal while I'm dealing with it. The example which I use here is of a house owner paying \$500 taxes last year or a tenant paying \$2,500 in annual rent. If they have no taxable income, the net tax of last year would have been \$270—you can get this from the income tax form if you want to go that far. A 15 per cent increase in taxes this year would mean he would have to pay, if you'll compute the property tax credit, \$337.50, or he would have a 25 per cent increase in his net property tax. A person with a \$3,000-income would go up from \$330 to \$397.50, which is a 20 per cent increase. The \$6,000-income person would have a 17 per cent increase and by the time you got to a \$9,000 taxable income, it would be down to the 15 per cent.

The drastic increase in property taxes this year adds to the regressivity. We can take this a step further, and we should take this a step further, because a person this year will probably have a 10 per cent increase in income over and above what it was last year. Therefore, when they come to fill out their income tax forms next year, they will have a greater deduction or they will have less property tax credits. If we assume a 10 per cent increase in income this year and we arbitrarily say they will have a \$4,000 personal exemption, we find this situation exists. A person with a taxable income of \$3,000 last year would have an increase to \$3,700 this year. He paid \$330 last year. He will have a 15 per cent increase in his tax levy and will pay \$411.50 this year. That will be a 25 per cent increase he will have in his net property taxes this year.

[5:30]

A person who had a \$6,000 taxable income and gets a \$1,000 raise for a total income of \$10,000 will have a 22 per cent increase in his net property tax. The person with \$9,000 taxable income, up to \$10,300 this year will have a 21 per cent increase in his net property tax. And when you get up to \$12,000, then again it is down to 15 per cent.

I suggest to you that this is evidence that it is extremely regressive. I think these

figures are representative of what will happen in this province and I challenge the Treasurer to point out to me where I am wrong in this table.

There is no doubt that the average net tax increase will be something like 20 per cent this year, even though the average mill rate may be up by only 14 per cent. Of course, it's kind of hidden, and you may get away with it, but the regressiveness is there and it is greatly amplified this year by the tax system. I say to you, Mr. Treasurer, that you ought to give a commitment now that you will improve the property tax credit so that the severe regressiveness of the increase this year does not take place.

The second point that I want to make is a point that I've made before, too. It is related to the extreme unfairness of the property tax in the exemption that it gives to speculators. This too has been documented by me on two previous occasions.

It is such a flagrant violation of tax justice that I want to put at least one more case into the record today. This one is in the Waterloo area—the area doesn't matter a great deal; it's the same all over the province—where Major Holdings and Development Ltd. hold a tremendous amount of land. It is prime farm land, and considerable controversy surrounding the issue of whether or not it should be included in the urban development area of the regional and local plans took place. As expected, the developer won out and this food land is slated to disappear.

Many examples of tax ripoffs by Major Holdings could be given, but let me place at least one on the record.

A sale registered on August 2, 1974, shows 164.07 acres of land transferred from Alene Jewitt to Major Holdings for \$875,000. It was assessed at \$14,375 or 1.6 per cent of its real value. Taxes were levied and amounted to approximately \$1,528, or equal to the amount levied against two moderate homes. I'll give further examples and discuss this Waterloo situation further at a later date.

I ask the Treasurer why he doesn't take some action to levy taxes against developers and speculators on the same basis as anyone else. His excuse that they have powers of recovery through the farm tax reduction Act and under the tax reform programme are, to put it mildly, I suggest, inadequate answers. Will he please tell me, and I hope he has the answer, the total collected under the farm tax reduction plan up to date?

I understand that it's nil. I hope that he will be able to say.

Do you realize what the situation will be under the proposed reform programme even if you go through with it as tabled in the budget papers? First, you propose to postpone the tax payment by developers for 10 years, if they want it. Second, the province is going to pay the tax for them and hopefully recover it at some time in the future, if you don't change the tentative policy before then.

Why should the province pay taxes for the developers? Why are they a special class? You'll sell a private individual's home if he doesn't pay his taxes for three or four or five years, but you'll pay taxes for a developer for 10 years and undoubtedly, should your government still be in power—which is becoming more and more doubtful—you'll probably write off most of the recovery like you have in the speculation tax, where you reduced it. I invite the Treasurer to change the legislation in this session—and it would be simple to do so—to make developers pay their taxes now, the same as everyone else.

The third item I want to deal with is the budget paper tabled on property tax reform. I think we recognize that all in all this year the local government estimates in the budget provide a rather bleak future for local government politicians who have an election this year. Sharp increases in taxes aren't really the best criteria for re-election. Of course, they can rightfully point their collective fingers at the Ontario government and say, "Blame them."

But they know and this government knows that the complexity of financing doesn't always permit the blame to filter up to where it belongs. Thus the Tory government recognizes that it's going to have a lot of alienated local politicians, many of them its normally staunch supporters and advocates. It becomes urgent, therefore, to search around for some new scheme to placate them as well as recovering the votes from the section of the property tax-paying public which knows where the blame for the tax increases really rests.

To this government, the answer is provided by the reform of property taxation in Ontario budget papers. What a brilliant idea. What an alluring carrot to hold in front of the people in the next election. First of all, it again postpones taxation on a market value assessment until 1978. That has to be after the next election so that will be a controversial issue it bypasses.

Then it tells the voters that property taxes levied on residents of Ontario will be substantially reduced. Taxes on farmlands will be abolished altogether and all the governments, including school boards and universities will pay full taxes on their properties. It has the political advantage, too, of leaving everything somewhat fluid by appointing a study commission to examine it further. If parts of the programme do not prove too popular, the government can always say it's not firm yet and the study commission is examining it. What a beautiful political package.

The *Globe and Mail* of May 15 said: "The main objective of governments' budget presentations at all levels, is political public relations." This is the acme of political public relations. That's what it is in essence, a political package.

It may not ever be implemented but for now and the period before the next election it's to serve a useful political purpose for the Tories. Simply because it will be one of the government's display items, I want to deal with some of its proposals.

Mr. Shore: Save me some time.

Mr. Swart: Yes. At least one of the statements of fact in the document is totally incorrect. I ask you to examine it. In proposing an elimination of many tax exemptions it states that: "All non-profit and charitable organizations are presently exempt from property taxes except where the occupied property has a tenant."

(Currently that isn't the case at all. Non-profit organizations per se aren't exempt from property taxes. Even the YMCA and YWCA pay property taxes. We had a private bill in here just recently to give them exemption from property taxes. They're non-profit organizations. They have to pay taxes on their properties.

There are certain private bills to exempt some charitable or non-profit organizations and others receive exemption for taxes levied by local municipalities but most of them pay partial or total property taxes. I say the minister and his staff ought to know this. If he checks with the municipalities he'll find out they do.

This glaring error certainly brings into question the depth of the study and the validity of the whole document. I examined the Act. We checked this out. Legions, clubs, associations and other non-profit and charitable organizations which own property are going to be clobbered by the proposed reform. To tax them at 100 per cent of market

value compared to only 50 per cent of market value for residences is unfair and will place on them a financial burden which may cause many of them to fold.

This government ought to recognize that these organizations make a community. They give meaning and life to municipalities or sections of municipalities. They're not commercial enterprises. They serve the citizens and at the very most should be assessed no higher than the 50 per cent assessment on residences. Residential taxpayers should beware of the projected decrease in their share of the property tax too. It is unlikely ever to take place. Market value assessment on escalating house prices will wipe out any projected gains by the 1978 implementation period.

Let's look at what the situation will be by 1978 if the new system is implemented by then. The minister uses the Niagara region as an example so I'll do the same. His table 5 indicates that total taxes on residences will drop from \$41.9 million to \$31.7 million. That's based on the 1974 tax levy and apparently a 1975 assessment—that's a strange combination. The taxes won't be levied on the new basis until at least 1978. What shifts in assessments will take place by then?

The St. Catharines-Niagara Real Estate Board reports that average sale prices of all classes of housing have increased from \$18,800 in 1971 to \$37,618 in the first four months of this year, an increase of 100 per cent or 20 per cent per year. Commercial and industrial properties have risen at a much slower rate, 13 to 14 per cent annually. Thus, year by year, market assessment will shift more taxes on the residential properties. So, by using the tax table of the Treasurer, residences will pay \$35 million, not the \$31.7 million which he predicts in his table. Add to this the additional money which members will have to pay out of their pockets for taxes on their clubs', their legions', their corps' and their associations' buildings and they will not be any better off than they are now.

There are other corrections in the proposed system which must be made and will adversely affect the residential property taxpayer. The proposed taxation on the non-chain retail store is so excessive as to be unacceptable. The regressiveness of the property tax is fully applied in their case and the additional taxes can just drive a small store operator out of business. It amounts to a further 21 per cent hike over and above the normal tax increases. On the

other hand, industry will get a 30 per cent reduction, wholesalers a 24 per cent reduction, and distillers a whopping 33 per cent reduction.

The reform of property taxation is, in fact, regressive. The tax break to industry is much greater than to the homeowner. Moreover it is phoney unless you are prepared, Mr. Treasurer, to give a commitment that grant assistance to local governments will not be decreased when the system is implemented—I want you to mark that one down, please—and this you have not done to date.

You see, using the Niagara example, residences and commercial and industrial are now paying 91 per cent of total property taxes. Under your new proposal they will pay only 77 per cent and you know where that extra money is mostly coming from—the province. Most of that extra money is coming from the province by your own document. In fact, the province will be required to pay some \$200 million more in taxes to municipalities, or five times as much as it is now paying in taxes to local governments. However, it has been the policy of your government in the past to class such tax payments as part of your contribution to local government.

Hon. Mr. McKeough: It is not part of the commitment.

Mr. Swart: If you then cut back in your grant assistance to allow for the extra \$200 million in tax payments, the local taxpayer will, in fact, get no benefit—

Hon. Mr. McKeough: It is not part of the Edmonton commitment.

Mr. Swart: I am surprised you brought up the Edmonton commitment because it seems not to have much validity—

Hon. Mr. McKeough: It is not a part; that is the answer to your question.

Mr. Swart: —but will you then give a commitment that the tremendous increase in taxes will not affect the assistance to local government—will not affect the Edmonton commitment, if you are planning to carry on with that? Will you give that commitment that the \$200 million additional you are going to pay in taxes to local government will not affect your subsidy and grants programme? I'll finish in just a moment and then you can answer.

In fact, the escalating market value of houses will cause the homeowner to absorb a greater share than he or she is now paying

unless that commitment is given. So I ask, will you give that commitment now in this estimate that grant assistance will not be affected by the substantial increase in tax payments from your government? If not, then that tax reform budget paper is the most inequitable and phoney document that you could have tabled.

[5:45]

Mr. Shore: I was hoping that we would come closer to honouring the time element, but I will hold my remarks to just a few questions. We've talked on this subject of tax reform and the concept of the programme relating to the tax burden on property owners in Ontario for many months now, and probably for many months to come.

I would just like to ask the minister if he will acknowledge that across the province, the grants that have been allocated this year to the municipalities and the boards of education, even if they were holding their expenditures to the seven or eight per cent increases—and in many instances they have; in many instances they haven't, either through the fact that they can't control them, or haven't been able to, or haven't wanted to. At any rate, would the minister not acknowledge now that even if they had, there would be a substantial tax burden on the property tax base?

Secondly, if he does recognize this, I'd appreciate if he would comment on how he plans to deal with this type of thing. And does he recognize, therefore, or is he changing his opinion on the facts of the property tax base?

We have statistics, and I'm sure he has, to show that in many instances where municipalities have increased their expenditures seven, eight or nine per cent, and boards of education maybe 10, 11 or 12 per cent, it has meant to the municipalities upwards of a 20 per cent increase in the mill rates.

I would just like to hear how he would answer that, whether he has any feelings on this matter, and what he sees down the road in relation to this matter for municipalities. I really believe this is a very significant question. I would hope that he would try to approach it in an intelligent, serious manner for an answer. That's all I'd like to hear.

Mr. Chairman: Does the hon. minister have a response to the previous two speakers?

Hon. Mr. McKeough: Just two or three comments, Mr. Chairman. I want to examine a little more carefully charts on regressivity given to me by my colleague, my friend from

Welland. He's conveniently left out of the chart those people with low taxable income, which distorts it somewhat.

Mr. Swart: What is \$3,000 taxable income?

Hon. Mr. McKeough: At \$3,000 taxable income you're starting to move up into something above the average income in the province, remember that.

Mr. Swart: With due respect, your own documents which you have tabled show that the average per household income, within that range—

Hon. Mr. McKeough: You are not using per household income, you are using taxable income. I don't think you can just switch back and forth as neatly as that between taxable and household. We'll have a look at those figures.

There's no question that the tax credit system is not yet perfected, nor do I suppose it ever will be in a state of perfection, but it does rely on the income tax system.

We have made this commitment, I think as the 15th proposal, that undoubtedly the tax credit system needs revision. But simply to stand and say that the property tax can't be used because it's a regressive tax, as many have done, is a lot of nonsense. In fact, we're putting something like \$500 million into the system to take the regressivity out.

Mr. Swart: I am not saying that. What I am saying is that unless you increase the property tax credit the same percentage that you increase the taxes in any year, it has added to regressivity.

Hon. Mr. McKeough: But we are not increasing the taxes on any year. We've listened to some of the members' ideas as to what taxes are increasing this year. Our guess would still be that they're increasing on the average across the province, when it's all in, something in the neighbourhood of 11 or 12 per cent. And when you look at a 10 per cent inflation rate last year, it is not all that much.

One can pick out extreme examples—and I say this as well to my friend from London North. Assessment increased in some places. Grants have increased, and are something in the neighbourhood of 50 per cent of local revenue. And still, when you look at property taxes over the last five years, 1976 excluded—and I would suspect even when we include 1976—you will still find that the property taxes as a percentage of household expenditure have continued to go down over the five year period. We've gone through these alarms, if I can put it that way, every

spring, though more so this year. The municipalities have had a tough time this year. But if you look around the province, you do hear of places which have not raised their taxes or have raised them very little. My own city was something like four per cent. London was three or four per cent.

Mr. Warner: You took money away from us.

Hon. Mr. McKeough: North York was even.

Mr. B. Newman: How about Windsor?

Hon. Mr. McKeough: Scarborough, for all its talking, with respect, was something less than 10 per cent, as I recall.

Mr. Warner: We got less money, though, than last year.

Hon. Mr. McKeough: The increase in taxes was something less than 10 per cent municipally in Scarborough. The municipalities have responded, I would say, very, very well.

Ms. Bryden: They had to cut their services.

Hon. Mr. McKeough: Oh, name a service that's been cut. What nonsense!

Ms. Bryden: The police.

Mr. Warner: Public transit.

Mr. Good: They've used their reserves.

Hon. Mr. McKeough: That's what reserves are for, for a rainy day.

Mr. Warner: They use them all the time.

Hon. Mr. McKeough: Oh, no.

Mr. Good: There have been cuts to the municipalities and you know it.

Hon. Mr. McKeough: Your problem over there is you start to believe yourselves and you should never do that. You listen to yourselves too much.

Mr. Warner: It's better than believing you.

Interjections.

Hon. Mr. McKeough: Do they want answers to these questions?

Mrs. Campbell: We'd like answers, but we don't want the minister's dodgings.

Mr. Chairman: Although the Chair isn't privy to any outside arrangements, I understand there is an arrangement that this will be completed. In the interest of dividing up the time left—

Mrs. Campbell: Provided we can have the time.

Mr. Chairman: —in all the fairness, the member for London North should be allowed a question.

Mr. Shore: Would the minister allow me to interject a question? If you take a five-year period or six-year period, I agree with the minister's observation that the property tax rates have averaged out at not too high a figure. But would the minister not agree—and I'd like to hear his comments—that that isn't the way you plan your property tax base because your circumstances are different each year and also the taxpayers are different each year?

I cannot believe he sincerely means to make any heavy marks on the statement that over a five or six-year period it has averaged out. I'll acknowledge it has, but you're dealing with different circumstances and different people. To hang his hat on that argument, in my opinion, weakens what he's trying to say.

Hon. Mr. McKeough: I'm not hanging my hat on that argument. The fact is that property taxes up until last year had risen something like three per cent a year. I would suspect if you add in this year you're not going to find that much of a dramatic change. There are very few things in this present inflationary period that have risen less than, if I can put it that way, property taxes. I'm not satisfied with the system and wouldn't suggest for one minute I am.

The fact is that provincial transfers have risen enormously during this period of time, another \$225 million this year. The fact is that nearly 30 per cent of all the money we take in as a province is going out the door to the municipalities. If the member wants more money for the municipalities, then I think he'd better face up to the fact that he has a couple of options. What out of our spending would he cut down or where would he raise taxes to do it?

Mrs. Campbell: Your superministries.

Hon. Mr. McKeough: Oh, get off of it, for \$200,000 or \$300,000.

Mr. Shore: I'll buy that.

Mr. Good: Let's start there.

Hon. Mr. McKeough: Let's hear some positive suggestions from over there as to where you would reduce spending.

Mr. Shore: Give us the opportunity of coming up with some positive suggestions, but not in 30 seconds; that's no good.

Hon. Mr. McKeough: You've got the opportunity. You've been making speeches for eight hours that we're not giving the municipalities enough.

Mr. Conway: What's \$1 million?

Hon. Mr. McKeough: I don't say this is something to be settled between now and 6 o'clock, but at some point or another, if you want the municipalities and school boards to have a lot more from provincial funds, then you'd better make up your mind—

Mr. Shore: No, I don't have to make up my mind.

Hon. Mr. McKeough: —are you talking about raising provincial taxes or what provincial services are you going to cut back on?

Mr. Shore: Would the minister agree that this is an important enough subject it should at least be given the opportunity of being discussed amongst the Legislature and the municipalities? He's said no several times.

Hon. Mr. McKeough: I have said no, that we're not about to transfer our taxes. We are not about to agree to transfer more than 30 per cent of our revenue at this moment in time.

There was one other question. The figure on the farm tax rebate which we recover has been running about \$100,000 a year. The commitment re grants in lieu—no, I can't give that commitment at this moment. I don't know where you are getting your \$200 million figure from. We don't know what the figure is going to be and until we do—

Mr. Swart: If you have the figures from the Niagara region—if you have the examples you can compute it.

Hon. Mr. McKeough: There is no reason to assume that the Niagara region is necessarily typical or that for provincial payments in lieu you can simply multiply by 10. I don't know—I told the municipal liaison committee a month ago that I would not give that commitment until I knew what the bill was.

Mr. Swart: If it's fair for you to use the Niagara region as an example, I can use it as an example too.

Hon. Mr. McKeough: The Niagara region? Yes, certainly, and it is a good example but I have no idea whether \$200 million is right. Until we know what that figure is I don't think we want to give that kind of a commitment.

Mr. Swart: You are hedging.

Hon. Mr. McKeough: No, we don't know what the figure is.

Mr. B. Newman: How about sharing the time left, Mr. Chairman?

Mr. Chairman: Order, please. The hon. member for High Park-Swansea.

Mr. Ziemba: I have a very brief question for the Treasurer, through you, Mr. Chairman. Why is it that the hospital-owned laundries of this province are asked to pay municipal property taxes when the hospitals, being charitable institutions, do not have to pay tax? These hospital-owned laundries are operated in the interest of hospitals. Eleven of them have been set up all over this province and they are providing a very economical service to the hospitals. They are exempted from sales tax by the Minister of Revenue (Mr. Meen) with regard to their purchases, why is it that you—

Hon. Mr. McKeough: I don't want to interrupt—

Mr. Ziemba: —charge them—I haven't finished.

Hon. Mr. McKeough: It is not me. The Minister of Revenue decides if they are taxable or not under the Assessment Act, not any Act of mine.

Mr. Ziemba: Are you providing a bonanza for the lawyers so they can fight these issues out?

Mr. Chairman: Order, please, it comes under another ministry, the Ministry of Revenue. Briefly the hon. member for Waterloo North.

Mr. Shore: He has changed his mind.

Mr. B. Newman: If you would share the time we could talk.

Ms. Bryden: Mr. Chairman, I have one question. Has the provincial Treasurer considered some assistance to municipalities and school boards for the extra costs of the OHIP premiums which were estimated in their own estimates at \$22 million? I doubt

if this has been provided for in very many budgets.

Hon. Mr. McKeough: No.

Mr. Chairman: Does vote 1007 carry? Vote 1007 agreed to.

On vote 1008:

Mrs. Campbell: Mr. Chairman, excuse me, the minister undertook to answer my question.

Hon. Mr. McKeough: Mr. Chairman, we have no intention of proceeding with that at the moment.

Mr. Chairman: Shall vote 1008 carry?

Votes 1008 and 1009 agreed to.

Mr. Chairman: This completes the estimates of the Ministry of Treasury, Economics and Intergovernmental Affairs.

The House recessed at 6 p.m.

APPENDIX

(See page 2461)

Answers to questions were tabled as follows:

5. Mr. Moffatt--Inquiry of the ministry:

Since reports of a decision by cabinet supporting the retention of the Oshawa Second Marsh have been circulated to the press, when will the cabinet's decision be tabled in the Legislature? Is the cabinet prepared to refuse permission to convert this wildlife area to a harbour?

Answer by the Minister of Natural Resources:

In January, 1974, the Hon. Leo Bernier, on behalf of the Ontario government, announced the proposed expansion of Darlington Provincial Park to include the Oshawa Second Marsh.

The Ontario government has been concerned with the discussions of expanded harbour and related industrial facilities involving the Second Marsh which began in 1966.

The government has a policy to preserve significant wetland wildlife habitats in Ontario wherever possible. Second Marsh, as one of the largest and most important wetlands on the north shore of Lake Ontario between Niagara and Presqu'île, falls into this category. Its importance relates to its high quality in biological diversity and productivity and its recreation capability.

The Ontario government favours the preservation of the Second Marsh at Oshawa. There have never been serious objections to harbour expansion fronting the Marsh and to the west, as long as the Second Marsh itself can be maintained intact.

Cabinet has never made a statement on the Second Marsh issue per se except to approve its inclusion in the expansion of Darlington Provincial Park. A decision about the future of the Second Marsh will be made at an Ontario Municipal Board hearing concerning the zoning of the marsh area for the new official plan of the city of Oshawa.

9. Mr. Peterson--Inquiry of the ministry:

Would each ministry advise as to total printing costs in the ministry for the current fiscal year, as well as the last fiscal year?

Answer by the Minister of Government Services:

	1974/75	1975/76
Management Board of Cabinet	\$ 108,694.00	\$ 184,884.00
Ministry of the Environment	297,751.00	423,114.00
Ministry of Community and Social Services	794,400.30	390,869.92
Ministry of the Attorney General	1,016,066.00	1,190,360.00
Ministry of Health	1,784,200.00	1,803,100.00
Ministry of Revenue	1,108,585.05	767,770.16
Ministry of Industry and Tourism	1,491,372.00	1,308,552.00
Provincial Secretariat for Justice	10,961.26	12,400.37
Cabinet Office	11,158.61	9,072.81
Premier's Office	24,998.76	27,535.07
Ministry of Agriculture and Food	602,761.00	702,741.00
Ministry of Labour	179,837.69	191,711.88
Ministry of Treasury, Economics and Intergovernmental Affairs	459,852.00	639,712.00
Ministry of Natural Resources	928,844.74	869,841.05
Ministry of Transportation and Communications	2,337,922.00	2,699,760.00
Ministry of Consumer and Commercial Relations	491,069.60	671,548.83
Ministry of Correctional Services	176,492.02	111,118.25
Ministry of Education	559,502.00	1,288,788.00
Ministry of Colleges and Universities	391,000.00	425,000.00
Ministry of Housing	322,300.00	399,500.00
Ministry of Government Services	929,015.00	1,594,401.00
Ministry of Culture and Recreation	Nil	249,204.00
Ministry of the Solicitor General	332,474.00	349,081.00

	1974/75	1975/76
Provincial Secretariat for Social Development	26,104.50	73,399.52
Provincial Secretariat for Resources Development	3,235.32	10,266.86
Ministry of Energy	17,889.00	16,674.00
TOTALS	<u>\$14,406,485.85</u>	<u>\$16,410,405.72</u>

CONTENTS

Thursday, May 20, 1976

Points of order re question period format, Mr. S. Smith, Mr. Lewis	2449
Quebec-Windsor rail corridor, statement by Mr. Snow	2449
Oil prices, questions of Mr. Davis: Mr. Lewis, Mr. Shore	2450
Guidelines for rent review officers, questions of Mr. Handleman: Mr. Lewis, Mr. Cassidy	2453
Study of Ontario psychiatric hospitals, questions of B. Stephenson: Mr. Lewis, Mr. Duksza	2453
Essex Packers, questions of Mr. J. R. Smith: Mr. S. Smith, Mr. Gaunt, Mr. Riddell	2454
Electronic eavesdropping, questions of B. Stephenson: Mr. S. Smith	2455
PCB levels in fish, questions of Mr. Bernier: Mr. S. Smith, Mr. Godfrey, Mr. Mancini	2455
Driving privileges of federal minister, questions of Mr. Snow: Mr. Williams, Mr. MacDonald	2456
Dentistry graduates, questions of Mr. Parrott: Mr. Deans	2457
Accident spot on QEW, question of Mr. Snow: Mr. Kerrio	2457
CCH Canadian Ltd., questions of B. Stephenson: Mr. Bounsall, Mr. Bullbrook	2458
Ambulance service in Windsor area, questions of B. Stephenson: Mr. Mancini, Mr. Bounsall	2458
Essex Packers, question of Mr. J. R. Smith: Mr. S. Smith	2459
Travel industry legislation, questions of Mr. Handleman: Mr. Philip	2459
Ontario Housing Corp., questions of Mr. Davis: Mr. Sargent	2460
Report, standing private bills committee, Mr. Lawlor	2461
Report, Cancer Treatment and Research Foundation, B. Stephenson	2461
Mental Health Amendment Act, first reading, Mr. G. E. Smith	2461
Tabling answers to questions 5 and 9 on order paper, Mr. Welch	2461
Niagara Escarpment Planning and Development Act, third reading	2461
Residential Premises Rent Review Act, third reading	2461
Point of order re reporting of Bill 9, Mr. Good	2463
Estimates, Ministry of Treasury, Economics and Intergovernmental Affairs, Mr. McKeough, concluded	2464
Recess	2492
Appendix, answers to questions 5 and 9 on order paper	2493

SPEAKERS IN THIS ISSUE

Bain, R. (Timiskaming NDP)
Bernier, Hon. L.; Minister of Natural Resources (Kenora PC)
Bounsall, E. J. (Windsor-Sandwich NDP)
Bryden, M. (Beaches-Woodbine NDP)
Bullbrook, J. E. (Sarnia L)
Campbell, M. (St. George L)
Cassidy, M. (Ottawa Centre NDP)
Conway, S. (Renfrew North L)
Cunningham, E. (Wentworth North L)
Davis, Hon. W. G.; Premier (Brampton PC)
Deans, I. (Wentworth NDP)
Dukszta, J. (Parkdale NDP)
Eakins, J. (Victoria-Haliburton L)
Foulds, J. F. (Port Arthur NDP)
Gaunt, M. (Huron-Bruce L)
Godfrey, C. (Durham West NDP)
Good, E. R. (Waterloo North L)
Haggerty, R. (Erie L)
Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
Kerrio, V. (Niagara Falls L)
Lewis, S.; Leader of the Opposition (Scarborough West NDP)
MacDonald, D. C. (York South NDP)
Mancini, R. (Essex South L)
McKeough, Hon. W. D.; Treasurer, Minister of Economics and Intergovernmental Affairs
(Chatham-Kent PC)
Newman, B. (Windsor-Walkerville L)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Parrott, Hon. H. C.; Minister of Colleges and Universities (Oxford PC)
Peterson, D. (London Centre L)
Philip, E. (Etobicoke NDP)
Riddell, J. (Huron-Middlesex L)
Ruston, R. F. (Essex North L)
Samis, G. (Cornwall NDP)
Sargent, E. (Grey-Bruce L)
Shore, M. (London North L)
Smith, G. E. (Simcoe East PC)
Smith, Hon. J. R.; Minister of Correctional Services (Hamilton Mountain PC)
Smith, R. S. (Nipissing L)
Smith, S. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
Stokes, J. E. (Lake Nipigon NDP)
Swart, M. (Welland-Thorold NDP)
Warner, D. (Scarborough-Ellesmere NDP)
Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)
Williams, J. (Oriole PC)
Yakabuski, P. J. (Renfrew South PC)
Ziemba, E. (High Park-Swansea NDP)



Ontario. Legislative Assembly

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Thursday, May 20, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

THURSDAY, MAY 20, 1976

The House resumed at 8 p.m.

ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES

Mr. Chairman: The hon. minister.

Hon. Mr. Parrott: I wonder, Mr. Chairman, if I might have the privilege of moving to the front row?

Mr. Chairman: Is it agreed?

Mr. Nixon: There are certainly lots of seats available there.

Mr. Moffatt: It is relatively calm.

Hon. Mr. Parrott: You'll notice I could even go one further right. I am not completely right, is what I am trying to tell you.

Mr. Nixon: Just move one seat to the right and take over the whole thing.

Hon. Mr. Parrott: Mr. Chairman, I had intended to speak for 2½ hours but I have changed my mind.

Mr. Moffatt: I hope you have changed your speech.

Hon. Mr. Parrott: Yes, indeed I have. I really did intend to be more extensive in my opening statement but because we have a very limited time for the estimates and I would like to make the best use of the time available, I will provide only a very brief summary of the highlights of our ministry and I will attempt to elaborate on the specific issue the hon. members—

Mr. Nixon: You should say my ministry. There is only one minister and that is you. It is not you and your wife.

Hon. Mr. Parrott: That's true, Bob. Thank you.

Mr. Chairman: Order, please. The hon. minister has the floor.

Hon. Mr. Parrott: I didn't really expect any heckling from my neighbour from Brant-Oxford-Norfolk. Just because we share that

common name of Oxford, there is no sense in us going too far down this programme together.

Mr. Nixon: I want to help you every way I can.

Mr. Foulds: Take it easy on the students.

Hon. Mr. Parrott: I am a great defender, you know that.

Vote 2601, the ministry administration programme, slightly less than \$5 million, is a relatively small portion of our total expenditures. We continue to economize vigorously and to encourage the institutions we support to do likewise.

On vote 2602, university support programme, both the universities and the Colleges of Applied Arts and Technology are receiving an overall increase in operating support of more than 14 per cent.

Mr. Nixon: Welfare only gets five.

Hon. Mr. Parrott: This increase reflects the high priority the government continues to place on post-secondary education in Ontario.

Our method of distributing funds to the universities has been made less sensitive to enrollment changes this year. This should help maintain an excellent balance and I think you will find that over the years it will make a significant improvement in the way we are funding the institutions.

On vote 2603, colleges and adult education support programme, we have also introduced a new method of distributing colleges funds to respond to the individual circumstances of each college without reverting to the line-by-line review of college budgets.

Each institution will receive its operating grant in two parts, one to provide and maintain plant and property, and the other to meet teaching costs. By a review procedure, we will ensure that each college is fairly treated under the new system with no excessive fluctuation of grants while the system is being phased in.

I have referred in this House recently to the added emphasis this ministry now places on industrial training. I will announce mem-

bership in the new industrial training council next week and look forward to receiving its advice on future industrial training strategy in Ontario.

I should also draw the members' attention to the Ontario career action programme budgeted for in this vote. The programme is now well under way throughout the government and under the direction of our college affairs and manpower training division.

On vote 2404, student affairs programme, we have increased OSAP budget by 23 per cent to \$61 million. In the meantime a provincial committee is studying alternatives to the student assistance programmes and we are also examining the subject jointly with other provinces through the council of Ministers of Education.

We are continuing a number of other smaller programmes of students assistance and awards, and have substantially enriched the Ontario graduate scholarship programme.

Finally, we have expanded our venture capital programme and have introduced the campus employment for native students programme. This programme will provide summer jobs on campuses for native students to help cushion them against the double cultural shock that many face when they enter college or university for the first time.

I believe that we are fortunate in Ontario in having access to our institutions for all qualified students to have a high quality of post-secondary education. I also believe we should recognize the contribution made by the support staff in my ministry who are not only capable but are dedicated to their duties.

In conclusion, I would like to emphasize again that the brevity of this statement in no way reflects a lack of enthusiasm for the ministry I have the honour to lead. I have touched on some of the highlights of our estimates and I would now be pleased to respond to any particular concerns of the hon. members.

Mr. Warner: Mr. Chairman, after those lengthy opening remarks I will try to keep my statement short. This evening and for the time we have next week I hope we have an opportunity here to discuss a couple of basic items, such as philosophy of the system, and some particular items such as fees. I am looking for both things.

With respect to philosophy I want to make an opening statement which I am sure my colleagues in my caucus will take to be a truism; the government may very well deem it to be quite a revolutionary thing; and I

am sure the Liberals will have a caucus meeting to come back with a split vote.

Mr. B. Newman: Listen to the pearls of wisdom.

Mr. Warner: Despite what the Leader of the Liberal Party says I don't happen to think that community colleges are an expensive form of babysitting.

Mr. Samis: He said that?

Mr. Warner: Yes. As a matter of fact he went on to say that he agrees—

Mr. Moffatt: Which leader?

Mr. B. Newman: I think it was our leader who said that.

Mr. Warner: The leader of the Liberal Party said there was no point in educating people to the ultimate degree; if we are a branch plant of the United States do we need much more than grade 10?

Mr. Samis: He said that really? A Trudeau follower?

Mr. Warner: Schools were built for students. That is the premise upon which I am going to base all my remarks for the next few moments. They may cause some concern to the government, but I will continue in that vein.

Mr. Nixon: Okay, chisel that in stone.

Mr. Conway: You have just added a new dimension to extrapolation. That was a marvelous jump.

Mr. Samis: The voice of a student.

Mr. Warner: Thank you very much.

Mr. Moffatt: Are you on a sabbatical?

Mr. Samis: From Queen's.

Mr. Warner: At some point I would appreciate it very much if the minister can assure us as to the fees which will be levied in September next year, 1977. The 1976 fees, we realize, are frozen.

Mr. Samis: Doesn't everybody?

Mr. Warner: What kind of fees are the students to expect in the fall of 1977? When we talk about fees, we are talking about a fraction of the real cost for students. The students still bear the greatest portion of the fees.

It is very interesting that the government has always taken the opposite view—that we

subsidize students—but students still put out about three-quarters of the total cost. For a student who is going to university or college away from home, it is going to cost him in the neighbourhood of \$2,500 to \$3,000 a year.

Mr. Nixon: Or somebody.

Mr. Warner: If you take into account his lost wages because of the fact that he isn't in the work force, and a very conservative estimate on \$8,000 a year, you are looking then at a real cost to himself or a family unit.

I say that because I'm thinking particularly of students from low-income families who could very well do with an 18-year-old out in the work force, but who happen to think that there are some intrinsic values or other values for their son or daughter to be going to university. You are then talking about \$30,000 that student is out of pocket, and some of it in the form of loans, substantial loans—\$3,000, \$4,000; even \$5,000 worth of loans—which for the most part he or she must begin repayment on six months following graduation. That's the real cost and then you add to it the unemployment. It was a serious problem last year, and a more serious one this year. We are talking, I think, in terms of 120,000 students in this province who will be out of work this summer. You are creating a real financial hardship for many many students.

It is tied in with accessibility. I don't happen to think, and I'm sure that most students from low-income families don't happen to think, that someone should go into debt for a great deal of time in order to attend university.

But that brings us around to the point about why they should be going to university. This system doesn't have any enunciated goals. It's been pointed out to them on many occasions. It's pointed out to them in the latest report from the special committee to assess university policies and plans, the Council of Ontario Universities, where the committee recommends. "The government, OCUA and the universities commit themselves to a realistic and frank dialogue on university goals and objectives."

The minister is also aware of the OECD report, which came out earlier this year, in which those people who came here and took a look at our system, and across the country, came to the conclusion that we haven't been defining educational goals.

It's a weakness in the system. I know the minister is aware of it, and it's one that

has to be addressed. If we're going to be involved as a province in paying a lot of money, and with students who are paying a lot of money, then surely we should have some defined goals. What is it they can expect out of the system? Why should they be going to university? What is the intrinsic value?

At some point a few years ago, it was argued that if you went to university you would end up with a job and you would make more money because you had gone to university. This is not so any more. When we talk about accessibility, I think the ministry or the government has conducted a very successful experiment.

Interjections.

Mr. Warner: Could we have the debate about plumbing at some other time. Is that possible?

Mr. Nixon: I don't want to interrupt this.

Mr. Warner: I just think it should go down the drain for now.

If we talk about accessibility, I happen to think that the government carried on a very successful experimentation. I take it that the reason for having lower tuition fees at the community colleges was to make them more accessible, and it did that. Knowing that the experiment has worked, can we now expect that next year's tuition fees for universities will be lowered to \$250. And if you answer that, then I would also ask the question of where you place universities in relationship to community colleges.

I take it that a student should be attending a post-secondary institution based on his or her interest and ability, and that we should not be looking at the system in terms of a hierarchy. But I think that you do that—consciously or unconsciously in terms of philosophy—but you do it in a fee structure; and I think it should be changed.

I would like to talk for a couple of moments about foreign students. For some reason the government came down hard in the last couple of weeks on foreign students; and frankly I don't know why. I don't understand it and I would like some explanation. I don't know who is advising the minister.

[8:15]

Mr. Nixon: Morty Shulman.

Mr. Warner: He advises everyone, but not everyone listens.

Mr. Samis: He gives a lot of free advice.

Mr. Warner: The government's advisory body, OCUA, did not recommend to the minister that this kind of treatment be given to foreign students. To my knowledge the minister has not received any direction from organized groups, such as the Council of Ontario Universities or OCUFA or OFS or any of those other organizations, which I take it represent the constituencies of the universities. If he is reacting to a perception that there is a greatly increased number of foreign students in our system, the figures have shown that it has increased by 0.1 per cent from last year to this. I don't take that to be a great increase—four per cent to 4.1 per cent, based on the figures you gave me.

When the minister talks in his statement and I referred to the last line of the statement he issued on May 13 to the Legislature: Hon. members will also bear in mind that even foreign students . . . who will be required to pay increased tuition fees, will still be heavily subsidized by the Ontario taxpayer.

I would like an explanation of that heavily subsidized portion of your statement. If I work it through, that student who will now be required to pay \$1,500 tuition fees and who is enrolled in an undergrad arts or science programme is costing the government somewhere in the neighbourhood of \$2,300, when you subtract the \$1,500, is costing the taxpayers of Ontario roughly \$800.

There is the other side of the coin. That student isn't allowed to work here, and can't get grants from the government of Ontario or loans. Some students have been taken to court because they took on a part-time job at less than minimum wages in order to sustain themselves here. I would like some facts and figures. The kinds of figures I would like to see tabled here are the number of foreign students at each university and each college and how many in each faculty. As you know and I know, there are different costs attached as to whether or not a student is enrolled in medical school or in an undergrad arts programme and so on.

You cannot escape the whole problem of decision-making in our colleges and universities, if you want to carry on an intelligent conversation about this whole system. There has been progress in the last few years—no one would deny that—in the university system. It does me a great deal of pleasure to see a Laurentian University student sitting on the senate budget committee, helping to set the budget of the university, and faculty members as well. The other end of that is the absolutely terrible situation of the community colleges, where students, faculty and support staff are frozen out of the decision-

making process. It's wrong, and this government has the opportunity and the power to change it. I want to see it changed. I would love to see it changed.

To add to it, I take it that most of those appointments which come through the Lieutenant Governor in Council are made upon a recommendation of the president of the college or the principal or however he or she is designated. He or she—that's interesting. I didn't run into any female presidents in my tour around the province. I may have missed one because I only got to 27 out of 37. At meeting after meeting, there were men all the time, but no women. Where are the women in the system?

An hon. member: Pauline Jewett is at Simon Fraser.

Mr. Warner: Part of the situation, and I know the minister is aware of it, is that the salaries for women in the university system, the college system, are less than those for men, on an average. The promotion opportunities are not there unless a woman proves herself to be so far superior and above those men who are vying for the opportunity.

When you talk about support staff, I guess I could say women didn't have an opportunity for promotion except I would have to include men as well because in the college system for the most part there are no career development programmes for support staff. That type of condition also exists in universities.

Let me give you a good example. The minister may be well aware of this. At some universities—and I'm thinking of Carleton University as an example—

Mr. Conway: That's a poor example.

Mr. Warner: —those on the support staff who want career development go outside the university to get the career development programmes and courses they need and then they go back to the university. That really is ingenious. The university, with all the facilities it has—far more than most companies can provide—cannot bring about good career development.

I'd like to spend a couple of minutes more talking about support staff because one of the things which struck me most when I toured around was that support staff, for the most part, feel they've been forgotten. People don't even know they exist. They're not part of the decision-making process. Their salaries are grossly inadequate.

In most centres a support staff person can obtain at least \$2,000 a year more working

for government or some industry in the same town doing the same job. The support staff feel alienated. They don't feel a part of the system. They have some very good suggestions.

I didn't find one support staff association which couldn't say to me in concrete terms where they could save money in the institution. If they were a part of the budget-setting process, they could make concrete suggestions as to how to save money. They've been left out.

If the minister is at all concerned or perplexed as to why the faculty in this province are unionizing and want collective bargaining rights, he just has to take a look at the wages. Below the full professorship level, high school teachers are earning more than those teaching university who have more years of experience, more degrees and, in some cases, a great deal more responsibility. You can look at pensions which aren't portable; you can look at fringe benefits which vary tremendously from one institution to another.

I came across a rather interesting designation and perhaps the minister could explain it at some point. Why should a university designate persons as being either single or breadwinners? That's a very curious designation because, if you were designated a breadwinner, the university would pay 100 per cent of the extended medical coverage but if you were designated as being single, they pay 37 per cent.

What I'm getting at is why the designation of breadwinner? Does that not conjure up in your mind that the university would ask the person who has applied whether they're married and who, in the family, earns more money than they do? What business is it of theirs?

Are the faculty really a part of the decision-making process? They are in some instances in the universities but it's not universal and it does not exist in the community colleges.

At some point I would like from the minister—if it's at all possible—his perception of education and what it means either to a person or to himself. I would like to summarize very briefly and if we come together on this, fine, maybe we can straighten out the system. I take education as being a personal experience. I take it as something which for me started very early in life and will continue throughout my entire life but my educational needs through that period of time will change. Therefore, it is incumbent upon the institutions to meet those needs. It doesn't work that way. We'll have the chance to get into it a little later, I am sure.

When you talk about older students who are part-time, particularly if they are single-parent families people or they are housewives or they are single women, the system is very difficult for them. It doesn't meet their needs because the university for the most part is geared up to those persons who are 18 to 23 years of age.

What does the minister think that a community college or a university should be doing to fit into its physical community? What kinds of things should it be doing to be really part of that community? I take it one of the things it should be doing and doesn't is to include on the board of governors or governing council people who live in that area.

Now we get down to a few of the nitty-gritty issues to which I think we really need some definitive answer. In addition to the student loans for—

Mr. Samis: The member for Renfrew North (Mr. Conway).

Mr. Warner: —the member for Renfrew North.

Mr. Samis: I hope not a sabbatical.

Mr. Warner: No, I understand—if the minister can dispel the rumour that's fine—but I understand you are trying to get the province to create a senate here so the member for Renfrew South (Mr. Yakabuski) could have a sabbatical to sit in the senate. If that is not true, I would appreciate hearing.

Mr. Shore: You would be No. 2.

Mr. Warner: I think we need some explanation as to what can be done in the Ministry of Colleges and Universities in its own small way to offset the kind of discrimination which exists in northern Ontario. You've been there and you are well aware that the distances that have to be travelled by students who live in the north are a problem. The university or any institution up there will by the very nature of where they are have increased maintenance costs because of the climate. They can point to many other real costs. The answer they have always got back on an ad hoc basis, year to year but never really guaranteed, is through the northern grant.

What I would like to know is what is the formula that is used to arrive at that northern grant. Do you take a percentage of the total? What is it you do? How do you see it in the future?

When you look at the colleges up north, does it really make sense that students should

be penalized for having an automobile? I take the example of Confederation College at Thunder Bay. They don't have the residences. The vacancy rate in Thunder Bay is half of one per cent and students who live 25 to 30 miles away have to get to school. How are they going to do it?

Mr. Nixon: How does that compare with Ryerson?

Mr. Warner: I turn to bilingualism.

An hon. member: Take it easy on that subject.

Mr. Warner: At some point this government is going to have to make a statement of philosophy about bilingualism. In the case of the grants which exist at the two larger institutions, Ottawa University and Laurentian, I could not find any formula and I could not find any rationale for the amounts of money which were turned over. In the case of Laurentian, we are talking about \$660,000 out of a total, I gather, of roughly \$13 million. I don't see any formula. Yet I understand that university has put to the minister on occasion its suggestion of a formula for arriving at a cost for bilingualism.

[8:30]

I think it is extremely important, not only to discuss the nature of a formula or some basis at arriving at the cost of bilingualism, but also to meet the real costs; because that grant for bilingualism at Laurentian does not meet the real cost. Otherwise students who begin the programmes in French-language instruction would be able to finish them and they can't in every case. In some cases they can; others they can't.

Even at Ottawa U, which I take it is one of the minister's favourite places, they received \$3 million out of a total of \$51 million, in round figures. That doesn't meet the real cost of bilingualism there, either. I'm not arguing whether or not they're receiving the right amount of money. Some could argue that that university, with the same number of students as Carleton, receives three times the amount of money that Carleton does.

That brings in another little problem, doesn't it? Now we have to look at liberal arts universities and if they are strictly liberal arts and not doing research, not having professional schools, they pay a price for that. When we look at Carleton we have a perfect example, when you contrast Carleton and Ottawa U. I think we need some explanation.

I would like the minister to tell us about the federal-provincial financial arrangements. I would be very concerned, if I were the minister, about losing that federal money. I take it that the federal government is considering pulling out of some of their arrangements?

Mr. Nixon: Including grade 13.

Mr. Warner: The one thing I looked at which I found difficult to comprehend fully was this business about passing over tax credits if you didn't meet the 15 per cent cap put on the federal-provincial relationship, the grant which comes from the federal government.

Specifically, I would be interested in hearing the minister talk about how much federal money goes into our college and university system, as a percentage of the total. How much, as a percentage of the total, do the students put in? How much of the percentage of the total does the province put in?

Mr. Conway: It's called the Woodstock committee.

Mr. Warner: It would be very interesting to see the relationship. I suspect that for about 40 cents in the dollar this province has a pretty inordinate sized voice in running the institutions. The figures will speak to that. When we get down to the last vote under which we're talking about the student aid programme, it would be very interesting to see if we are going to have some figures about the percentage of OSAP in comparison to the total MCU budget and the percentage of OSAP of the total provincial budget. Those are two figures I would be quite interested in seeing.

Hon. Mr. Parrott: How is your arithmetic?

Mr. Warner: Reasonably good.

Hon. Mr. Parrott: If you can figure the percentage I will give them to you fast.

Mr. Warner: The Legislature won't issue calculators, if you remember.

Mr. Nixon: Because the members lift them.

Mr. Warner: Is this a confession?

An hon. member: An accusation.

Mr. Ferris: First things first.

Mr. Warner: I don't think we can talk about this budget in isolation. I don't think we can carry on a discussion about colleges and universities without talking about long-

range planning and long-range financing. The message has come through, I think, quite clearly to the minister. We cannot go on in this ridiculous fashion of the university setting a budget, waiting for the government to set a budget, which is always lower, and then adjusting itself downward. Surely we can get out of that and start looking at financing more than a year at a time? We must look at budgeting for more than a year at a time and long-range plans both for the university and for the system. I think that's what we have to look at as well as a method which doesn't reward growth for the sake of growth. As the minister knows it's been part of the source of the problem over the last few years. Granted there's been some minor alteration here this year to help compensate for that.

Mr. Conway: Make those notes there, Mr. Minister.

Mr. Warner: I think we need some explanation at some point—

Mr. Conway: To say the very least.

Mr. Warner: —as to the amount of money which the government ended up putting into the system in response to its advisory body, OCUA, both last year and this year. I would take it that those figures are rather interesting, too.

I don't think, Mr. Chairman, that I can put it anymore concisely or clearly than to say that what we need in this province is a system which meets individual needs, a system that does not have barriers to it, a system which does not discriminate in any way; and frankly, I don't think we have that. And I say that very carefully and very cautiously; but it's true.

An hon. member: We hope so.

An hon. member: Sure it is.

Mr. Warner: At some point during these estimates we have an opportunity to discuss the philosophy of the minister and his ministry, or of the government, and perhaps some passing reference could be made to what is now that infamous McKeough-Henderson document. I take that document not to be government policy, but to express some philosophy of government; and if it does, it's very dangerous. It's dangerous to the system.

And as a side note, nowhere in that document does it talk about doing something with the fees for foreign students. But that aside, I read that document with—

Mr. Nixon: It's one of the things that Max Henderson didn't think of.

Mr. Warner: About the only thing he didn't think of. That document is a curious one. I'm very tempted just to dismiss it as trivial—

Mr. Nixon: You recall the makeup of the committee.

Mr. Warner: —because to give it credence is to put it up as a serious document to be taken seriously. But it has had a philosophical impact on the government, I think, and I would like some explanation of that. Personally, I take it to be a document somewhere between "Through the Looking Glass" and "1984," with the Treasurer (Mr. McKeough) sitting as the Cheshire Cat. And you know who the Mad Hatter is behind this whole thing.

Mr. Breithaupt: I don't even know who's in the teapot.

Mr. Warner: But I'm sure we'll get to that.

An hon. member: I hope so.

Mr. Nixon: Right, it's only 9:20.

Mr. Warner: I'm sure we will.

Mr. Breithaupt: Other than the dormouse.

Mr. Shore: Brevity; oh brevity.

Mr. Samis: Look who's talking.

Mr. Hodgson: Take your time. Take your time.

Mr. Shore: We don't speak that often.

Mr. Samis: Well, when you do, it hasn't been of short duration.

Mr. Shore: What subject are we on?

An hon. member: Speech, speech.

Mr. Nixon: Go on, don't hang back.

Mr. Warner: I want to make sure you're able to take careful notes. If you've got the pencil out we shall continue.

Mr. Nixon: That's all right, we will read it in Hansard.

An hon. member: Let us know and we'll start taking them down.

Mr. Hodgson: Don't worry, we'll look after ourselves.

Mr. Makarchuk: We doubt that.

Mr. Swart: You'll look after yourselves all right.

Mr. Chairman: Order please.

Mr. Warner: At some point in this whole debate over the estimates—

Mr. Eakins: Exercise is the word.

Mr. Warner: —I would like to see the minister explain what kinds of changes are going to be made to the document, or that which follows the document which set up the community colleges. Because it seems to me that there are a couple of areas which are in desperate need of revision, one of which being the residency restriction. I understand the whole business about that excluding residencies at the time when the colleges were instituted, but it's no longer valid because the ball game has changed. When you look at a place, such as Sir Sandford Fleming, which attracts students from many surrounding areas and there isn't sufficient housing in the community, where do the students stay?

And the whole business about the car allowance really has to be explained to a lot of students because they feel they're being penalized twice—and I have to agree with them—on losing \$400 worth of grant money and having to pay for the car and the upkeep. So they really are being penalized twice for it. I would like to know what kinds of ancillary services you see being cut through the system because of the budget controls?

I appreciate that the minister didn't really say his ministry had been more generous than anybody else in this government but he couldn't be because the colleges and universities, particularly the universities, have been under restraints since 1970. I don't know how they could have cut support staff any more than they have done now.

When I see ancillary services such as career counselling, marital counselling, day care, birth control counselling, services to foreign students and so on being threatened out of existence, I am concerned. I am concerned about the quality not of the instruction but of the institution for the individual who attends there.

I have a great deal of concern about the institutions, not because they are not trying to do their best; they are. People within the institutions put forward a tremendous effort to try to provide a good educational system;

to provide a good education for those students who attend.

Interjection.

Mr. Warner: You are working in a vacuum because this government will not come to grips with the two major problems it faces.

Mr. Conway: What about Dr. Seuss.

Mr. Warner: That is accessibility and the cost. Until you are prepared to do that; until you are prepared to say to the rest of your colleagues that most of our forms of taxation are regressive and we have to get on to a progressive income tax scale; until you are prepared to say to industry, "It is about time you started paying your share for this educational system"; because they are the ones who get tremendous benefit out of it—

Mr. Conway: This is the red herring.

Mr. Warner: —until you are prepared to make sure that every student in this province who has the interest and ability can go to university without financial problems, then the institutions are operating in a vacuum without leadership.

Mr. Conway: Interesting.

Mr. Warner: I look forward to the rest of these votes.

Mr. Chairman: The hon. member for Kitchener-Wilmot.

Mr. McClellan: Here come the three Rs.

Mr. Ferris: Sanity at last.

Mr. Conway: Sanity takes over.

Mr. Sweeney: Thank you, Mr. Chairman. May I please open by indicating that the present Minister of Colleges and Universities is one whom I have found to be a very open and a very co-operative minister.

Mr. Ferris: However, now watch it.

Mr. Sweeney: The minister, however, I believe has discovered that the task which has been left to him by his growth predecessors is a much more difficult one. I believe he has probably discovered by this time that the era of re-evaluation and retrenchment which we are entering is a much more difficult one.

An hon. member: Like pulling teeth.

Mr. Sweeney: It is a lot easier to say "Build, build; and grow, grow" than it is to say, "Let's look at where we are. What is

it we are trying to do? Where do we go from here?" But that is the message we are faced with; that's where we are today and that's what we have to deal with.

There is no segment of Ontario society which has grown so dramatically over the past couple of decades as our colleges and universities. It has grown in so many ways. In 1951 only six per cent of our people in the age group between 18 and 24 were attending a post-secondary education institution. By 1971, only 20 years later, that had increased to 20 per cent.

[8:45]

During the period of time that threefold percentage growth occurred we also had a doubling of the population which means the population of our post-secondary institutions has grown almost six times. I am not aware of any other service in our provincial social service scheme that has grown at that particular rate. We have increased the number of universities from, I believe, seven to 15. We have introduced during that period of time 22 community colleges that didn't exist before. The federal government has increased its support from that of 50 cents per student to 50 per cent of the total operating costs. I would suggest that is truly a dramatic increase.

Mr. Shore: It was necessary.

Mr. Sweeney: But there are very obvious things happening in our society which indicated that increase. Shortly after the war, we had a dramatic increase in the birth rate and in the number of immigrants coming to our country. We had a very significant growth in the whole technological environment of our society which needed advanced education and more highly educated people. We had a shift in mobility from the rural areas to the urban with a desire for higher education. We had a tremendous growth in the whole area of business and the advancement of business administration and the need for more highly educated people to fit those particular jobs.

We had our employers, generally speaking, demanding higher educational qualifications from their employees. We had an increase in the incomes of our various families, which made it possible at this period of time for them to permit their young people to go off to higher education, not only because their income or potential income was not needed at home as greatly, but also because there were dollars available to help support them there. We also had at this period of time—and I think maybe this is one of the things

that as we look back may not have been good, but it was there anyway and at that time it seemed right—a very high expectation of the return on the investment in post-secondary education, indeed of all education, but perhaps more of post-secondary education.

It almost seemed to be a guarantee for a better job. It almost seemed to be a guarantee of upward mobility for the lower income groups, the lower socio-economic income groups in our society. It was also believed, and I believe that many of us were partially responsible for this, that education was going to solve all of our problems, our social problems, our economic problems and our moral problems. I only repeat that at that time it seemed the right thing, and many of us believed it.

One of the major problems we are facing right now today is a very widening credibility gap among the general population, among the parents of our young students and indeed among the students themselves. Finally, the federal government increased its involvement because it had a couple of goals or possible return on investment in mind as well. They wanted to increase the gross national product per capita of this country to that approaching that of the United States, our nearby partner. They believed that it was through education that that was going to happen.

We also wanted through a better educated society to lessen the unemployment rate in our province. Where does that leave us today? My opportunity—my privilege, I would say—of being able to move around this province and visit a few of the universities and a few of the colleges would lead me to say, and I have said this publicly in the presence of the minister, that we do have an enviable system in place, a system which can allow us to meet many of our needs. We certainly have adequate facilities. We have excellent facilities in most cases. A few things need to be done, but I have been told by the faculty and by the administration and indeed by some of the students who have visited other jurisdictions that there are not too many that can match what we have. Let's recognize that and be proud of it, all of us, proud that it is in place. We also have a very wide distribution of those facilities. They are in the north of this province, in the east, in the southwest and in the centre. No matter where we go, they are there. They may not be there in the way that every one would want them but nevertheless they are in place.

Mr. McClellan: You should be his parliamentary assistant.

Mr. Samis: Is this going to be a 58-minute speech?

Hon. Mr. Parrott: He is making a lot of sense.

Mr. Sweeney: We also have an improvement in the general level of accessibility in this province. I think there are many problems to be solved in this area, but nevertheless it is there.

Mr. Shore: There are a couple of products right there.

Mr. Sweeney: We have provided some alternatives to the more traditional forms of post-secondary education and we will discuss, I am sure, other alternatives, but the one that has been mentioned already, the community colleges, is certainly a most dramatic one.

I would like, however, to draw the minister's attention to a quote from the Commission on Post-Secondary Education, and I believe maybe it is another focal point of one of our concerns. It is "a splendidly intricate education machine, but nobody quite knows what it does or what it is meant to do." I don't think that is total criticism. I think the point that is being made here is that we have put something in place which is very good, but that we don't really know completely what it is all about, exactly what we want it to do, or exactly where it is going to go. I would say that is perhaps the most fundamental question that over the next little while the people of this province, the ministry, and this government are going to have to answer.

I think that at the present time, once we know what we have got in place, as I mentioned at the beginning, we have to take a look at a re-evaluation of where we are at and where we are going. I would hope that through our post-secondary educational system we could over a period of time truly turn our society into a learning society, a society of people who believe that learning really is part of living, and that we in this province at least would provide them when they had the desire to do so and the ability to do so with an opportunity to continue to learn and to continue to grow.

One of the main social problems we are facing today is the acquisitiveness of our society, and part of the reason for that is what else is there to do? It seems to be a goal or a thrust of so many of our people. If we were able to put into place, if we were able to advertise, to convince and to encourage the people of our province that the

whole concept of growing and learning was a far better vision than just acquisitiveness, then truly our whole post-secondary educational system would be performing a function for our society that would be well worthwhile.

We have to look very carefully at the practice in the past few years at least of simply wanting to house the people who wanted to get in, of trying within the present structure to be all things to all people, of trying to meet every fad that came along, of trying to look at our society and see some of the things that they wanted to do that maybe shouldn't have been put into place, particularly when they start draining off the funds for more needed and more necessary programmes.

We have to ask ourselves what purpose is post-secondary education to serve in this province? Who is supposed to attend? Whom are we trying to serve? What is the most effective age grouping of our post-secondary institutions? For example, I think we are doing our society a disservice when we allow our post-secondary institutions to be dominated by recent secondary school graduates. I don't think that is the tradition that we have come from and I don't think it is what we should continue to allow to do. There may have been some reason for that over the last 20 years, some of the reasons for growth that we spoke about a few minutes ago. But, as we look ahead, I think that we must become much broader in our intent and in the age grouping on our campuses.

I think we have to look very carefully at the old argument of quality versus quantity. I think we have to remember very carefully that at least the more traditional post-secondary institutions must have a level of quality which retains for them and for the public they serve that credibility of service. Finally, I think we have to take a good hard look at something which you yourself have mentioned before and that is this incredible demand for degrees or diplomas or pieces of paper in areas where they really aren't essential.

I think there is a broader public education involved here. I think we have to realize that in this period of re-evaluation there is a public perception that we haven't done the things we promised to do. We haven't been able to solve all the social problems. We haven't to guarantee everyone of our graduates a good job. We haven't been able to provide that upward mobility of people from many of our lower social and economic stratas. I think we have to realize that's where we are and where do we go?

One of the major problems we're facing is the whole area of accessibility. If we can truly understand who we're trying to serve and what we're trying to accomplish we will have some of the answers to the accessibility problem. I think maybe the simplest way of putting it is that we truly have an opportunity, we truly have a responsibility, to provide for everyone who desires it a higher educational opportunity and for everyone who has both the ability and the will to achieve it an opportunity of post-secondary education.

Coming back to a point made a little earlier I would say we should look carefully at the encouragement—and I would underline the word encouragement—of those who are uncertain of their own future in the time lag between the end of secondary school and the beginning of post-secondary education. I don't think we're doing our students any service if we encourage them to go into post-secondary when they don't really know what they want to do or how they're going to get there. I would suggest that part of the drop-out rate—the very high drop-out rate in some institutions—and the failure rate in the first year particularly, are probably due to this more than anything else.

We spoke a few minutes ago about the whole area of quality. I think maybe the experimentation of the last few years has brought us to the point where we have to take a good hard look at some sort of standardized admissions for our universities in particular. I think, in trying to be all things to all people, we have lowered the quality we are providing. I'm not suggesting we shouldn't provide other kinds of opportunities for other potential students but I do think that what we're faced with right now is asking ourselves what is this particular institution supposed to be accomplishing?

I think the lack of standard entrance requirements for universities in particular has hurt us in the long run. I am not sure, even in my own mind—perhaps this is something we can debate over the next few hours—how we're going to get at that. I'm only suggesting it as a critical point of discussion.

I think we should appreciate that the reason some potentially good students don't go on to higher education is not always due to the lack of financing or the difficulty of financing. I think we create a little bit of a guilt complex within ourselves by suggesting it's all our fault and all we would have to do is put more money into the system and that would solve all the problems.

There has been a number of studies and surveys and discussions take place which would suggest that there are other valid reasons. These include the attitude of the student himself or herself about higher education; the attitude of the family from which he comes; the ability or the inability perhaps of some people in our society to postpone benefits such as income for three or four years. I think also something we tend to forget but is nevertheless very real is the peer pressure on some of our young people in terms of whether or not they should go on. [9:00]

Looking at this, however, we also have a responsibility to examine this from time to time. I would make as a recommendation, Mr. Minister, the periodic examination of the social and economic demography of Ontario, and the degree to which those students who take advantage of our post-secondary institutions match or don't match it.

If we find that there is any one segment of our population seriously out of sync, out of wack, then I believe we have a responsibility to move in and do something about that. I don't know what statistics are available to the ministry; maybe this is something that you already do, and I would like to hear a response on that.

I think now is the time, in terms of accessibility, to examine what our goals are. What is it that we want to accomplish? What do we want to accomplish, for example, in the whole area of professional education? Do we need more people in some professions? Do we need less in others? And what incentives do we provide?

What about technical education? Are we truly meeting the technical demands of our advanced society? Is it still necessary for us to attract from Europe, for example, many skilled tradesmen in areas that we should be able to fit ourselves. Are we meeting that need?

What about areas of research? Surely our post-secondary institutions, particularly the universities, have a very great responsibility in our society to do some of the most important and fundamental research that's required to help us to grow and to know where we're going. Research in medicine. Research in technology. Research in business administration methods.

As we look ahead for the next 15 or 20 years, Mr. Minister, our society is going to change dramatically—and who is it that's giving us some sense of direction? It's not some of the research departments in our

post-secondary institutions, particularly the universities. I know that there are other sources. But surely we must agree that this is one of the fundamental ones.

Unfortunately, both at the federal level and at the provincial level, the whole area of research has been allowed to decline, to decrease, to be diluted. And in our striving to save dollars, maybe that's the easiest place to cut them out; but are we perhaps being penny-wise and dollar foolish? Are we perhaps being too short term in our outlook? Are we perhaps not appreciating that the delay in our whole research programme can be one that can catch up very quickly to us, but we can't catch up to it?

I would strongly suggest that when we're looking at our priorities and our incentives, that we must look at research. I think we must also examine the ways in which we are upgrading or assisting the upgrading of our lower socio-economic levels of society. What are we really doing for them? In what ways are we encouraging the arts in this province? Drama, literature, the visual arts—what are we doing there? And whose responsibility is it?

I believe the minister also understands that I am particularly concerned about the whole area of the study of our own history, of our own country and of our own society.

It grieves me when I see surveys done of senior secondary school students across this country, not just in the Province of Ontario, but across the whole country. They show percentages of 50, 60 and 70 who don't know the answers to the simplest question about our government structure and how it operates, about some of the great people of the past, about some of the communities within our society and how they grew and the contributions they have made.

For example, let's take one of our own community colleges, Seneca. When they had to cut money back, the place where they made the first cut was in their Canadian studies programme. Now, maybe the pressure on them was such that they had to, but, it's an indication. Another example, Mr. Minister, is the fact that the secondary schools of this province have, as part of their compulsory programme, two courses in Canadian studies. And yet Laurier University in Waterloo set up a course in Canadian studies and had a number of students enrolled who intended to go into teaching, but when they applied to the teachers' college in advance, they were told it was not an acceptable course.

There is something really out of whack there. I appreciate that that requires a cer-

tain amount of co-ordination between your ministry and the Ministry of Education. But something needs to be done about this whole area of our own history, our own culture and our own background. I don't think we need to go so far as some other, super-nationalistic countries of the world, but I think we need to go a lot farther than we are going now. These are just a few, Mr. Minister. Okay.

One of the phenomena that we have come upon in the last few years has been this whole business of students coming into post-secondary institutions who are not academically qualified to do so. I'm sure the minister recognizes that there are a number that now have remedial courses, particularly in English, some of them in mathematics, and a few in the sciences, chemistry or biology. There was a bit of a discussion in this House a few days back about that very point.

I think this is another area, Mr. Minister, where you and your colleague in the Ministry of Education need to have a strong heart-to-heart talk because, as the president of the University of Waterloo pointed out, although it is their responsibility as long as they're going to get those students, it's a pretty expensive way to provide remedial education and yet it does have to be done.

When we talk about accessibility, I think we should also look at those kinds of students that we should not be encouraging into our post-secondary institutions. For example, the kind we mentioned a few minutes ago; that is, those who are there simply to get a piece of paper because certain employers demand that they have it. I think we've got to the point where maybe we've got to go to another ministry of the government again, and I'm not sure which one it is—the Ministry of Labour—

Mr. Conway: Ministry without Portfolio?

Mr. Sweeney: —the Ministry of Consumer and Commercial Relations; I don't know, Mr. Minister, you know better than I on that—and really rap the knuckles of some employers who are over-zealous in this area, because they are, as has been pointed by others, costing us an awful lot of money—lost income; lost taxation and unnecessary cost in getting an education. And it isn't going to help them to perform the particular task involved.

An hon. member: Don't hold your breath.

Mr. Sweeney: I think we also need to very carefully discourage those students who are going to university or community college because they just don't know what else to do.

Here is a point where obviously we must have much more serious counselling at our secondary school level; again, an area of co-ordination and dialogue between you and your colleague in the Ministry of Education.

Finally, I appreciate that we have some serious unemployment problems in this province and in this country, but I think a very incorrect way and a very expensive way of solving those unemployment problems is to provide a space in our post-secondary institutions. We've got to find a much better way than that.

What are some of the alternatives? If we're going to talk about accessibility, maybe we need to look at something other than the present structures that are in place. How can we provide alternatives? For example, more encouragement for on-the-job training. More encouragement for small, intensive courses at small private schools. And a spectrum of alternatives that provides opportunities different from the revolving door that many of our students fall into at the present time.

In terms of accessibility, I think that another point that we must take a good look at is this grade 12 or grade 13 entrance requirement from secondary education. Obviously, we're doing a disservice to our students in this province if they require grade 13 to get into university and those same universities in Ontario are welcoming into them grade 12 graduates from other provinces—such as York University, the University of Toronto, the University of Waterloo, just to mention a few.

I would like to spend a couple of minutes, Mr. Minister, on the whole question of financing. First of all, there is the financing of the institutions themselves. The former member of our party, Bob Nixon—

Interjections.

Mr. Samis: Former member?

Mr. Sweeney: Former leader, excuse me.

Mr. Samis: Oh, Bob!

Hon. B. Stephenson: That's a Freudian slip.

Mr. Sweeney: He explained very carefully, well over a year ago, that one of the major financial problems facing our post-secondary institutions was the year-by-year financing procedure, and perhaps even with greater difficulty the slip-year procedure. It was put very carefully and very strongly that what we need is at least a five-year funding programme so that the kinds of long-range planning which we say we need as a

government and as a ministry we also permit to the institutions themselves—time, for example, to plan programmes, whether they are going to add programmes or gradually phase programmes out and time to know the kinds of staff they are going to require.

You can't hire highly qualified staff and you can't keep highly qualified staff at our post-secondary institutions unless there is some guarantee of a long-term investment. We need time to make most effective use of the facilities and time to make most effective use of the equipment which is needed in so many of the technical, engineering and science programmes. I believe very strongly that we have to take a look at that kind of procedure.

I also think, and we have discussed this before, that we've reached the point in time where we must get away from the BIU funding formula for distribution—and I emphasize the word distribution. I believe you know as well as I do some of the problems that this has created over the past few years, such as the very degrading recruitment drives made by some of our institutions simply to attract into them enough bodies to pay some of their bills. I think this was also part of the reason why so many of those particular students very quickly either fell out or were pushed out.

We also want to monitor very carefully the reserve funds of our institutions. We had one example in this Legislature a few months back of where things can get out of whack and out of organization if they are not monitored. We have to monitor the accumulation of those funds and monitor the distribution of those funds. While we are talking about the financing of the institutions, may I just draw to your attention two of the institutions in this province that have very serious capital needs. At Brock University there is a building, and that's about all I can call it, a shell maybe that houses the major science biology programmes. I toured that building and I hope you've had an opportunity to do so as well or certainly will because you'd really have to question what I said right at the very beginning. It is not a tribute to what we are trying to provide in most of our other institutions. I would suggest that as soon as possible funding be provided to rectify that situation.

I don't know whether the minister is aware of it or not but at the Conestoga Community College in my own area there is not one single physical educational facility. There is nothing. There is no gym. There are no outside facilities whatsoever. They are not

talking about a swimming pool. There just isn't anything.

Mr. Nixon: There is no gym at Trent either.

Mr. Sweeney: As a matter of fact, someone pointed out that there aren't even showers. If you haven't got any phys-ed facilities, I guess you don't need the showers. Those are just a couple of the examples where we must take a look at the capital freeze that has been placed on most of our buildings.

I would also be concerned about the fiscal arrangement with the federal government. It has come to our attention that they are thinking—and this is, of course, speculation at this point in time, though maybe the minister is privy to more examples—of reducing the sharing from 50 per cent to 40 per cent or they are thinking of changing in some way that 15 per cent limitation on growth, and I understand it's downwards. If that is the case, I think we should be privy to that information or whatever is available.

With respect to financing, may I spend just a minute on that of students? I certainly support the ministry's action in holding tuition fees for 1976 but I also am concerned about what the ministry's plans are for 1977.

Mr. Nixon: After an election.

[9:15]

Mr. Sweeney: I would ask—and I ask it with the greatest respect—about your commitment not to have any increase in tuition fees for 1976 or the school year 1976-1977 as I thought you said. I believe that has been broken by your decision to increase the tuition fees to foreign students. Maybe you perceive that differently from the way I do but in my discussions with some administrators and some students they feel there has been a break with faith. I would suggest to the minister that it would be a very high price for him to pay with the educational community of this province if that's the perception out there. Maybe for this school year at least you might wish to reconsider that. I don't believe we can afford to have the minister perceived as one who breaks his word. As I say, I say that with the greatest respect.

While we happen to be on that particular point I would like to resurrect once again a notion which has been presented. That is that you give serious consideration to the whole area of reciprocity with other jurisdictions. It seems to me that the present arrange-

ment whereby another jurisdiction charges our students more money and we in turn charge their students more money doesn't really do the student much good.

There is no doubt that it puts extra dollars in the coffers of the two jurisdictions but if we are really concerned about our students and want to give them as broad an educational opportunity as possible, which includes going to other jurisdictions, perhaps a reciprocity agreement with as many jurisdictions as are willing to have that with us, is something which should be pursued. I would suspect that's probably something you'd have to take up with the federal government rather than operate it alone.

It has been suggested that the tuition fee level in the Province of Ontario has been held for a long period of time and that's something which is very noteworthy. Other jurisdictions have increased their tuition fee levels. It is true that there are three or four other Canadian jurisdictions which have increased their tuition fee levels but in each case the new level, the increased level, is still lower than ours.

For example, in Manitoba it has been increased to \$475 for undergraduate students. In Alberta it has been increased to \$500 for undergraduate students. In the universities in Montreal—I don't know whether or not it applies to all Quebec—the range which has just been increased is now up to \$450 to \$520. Newfoundland has increased its to \$500. The only point I'm making is even though those other jurisdictions have increased their tuition fee levels they are still not as high as Ontario's. That really isn't an area in which we can take, I don't think, too much credit.

It has also been suggested that we should compare ourselves with many jurisdictions in the United States which have higher fees. I think if we are going to be completely fair and if we are really going to be comparing apples with apples we also have to appreciate that in many of those American jurisdictions the funds and other financing available to students are much more generous than our own. There are opportunities for them to get funds from so many other sources which are not open to our students or at least not to the same degree. If we are going to compare again let's put all the eggs in the basket and make those comparisons.

With respect to loans and grants I have indicated that I support the increase from \$800 to \$1,000 because I've also said very strongly I believe that our students should pay

a portion of their own education. We may debate how high a portion they should pay but that is another question. However, in no way should that be taken as an indication that we are going to support an even higher increase.

Mr. Bounsall: Talking out of both sides of your face.

Mr. Sweeney: Along that line, there's no way we would support the suggestion in the McKeough report that the grants be tampered with in any way whatsoever. The grants, surely, are a measuring barometer which will give to those students who need it as much as they need. To put additional ceilings on that would be to defeat the whole purpose of the grants. I don't understand if that's intended, I would just put it in as a point for the record.

I would like to make brief mention of our colleges of applied arts and technology. It was, as I have mentioned before, a good move for this province to provide this kind of alternative opportunity for our students. However, in some ways they have fallen on difficult times. I think their credibility with the public has been downgraded considerably and maybe that's because of the reasons for which they were instituted in the first place have been lost to a certain extent in the shuffle.

It's pretty difficult to have credibility with the community colleges when you look at some of the courses they're offering, courses in witchcraft, in log cabin building, in keep trim and keep fit programmes—taken over, by the way, in St. Clair College from a private entrepreneur who went bankrupt—and courses in flying. None of these are bad in themselves, but these are the kinds of labels and these are the kinds of identifications with which people perceive many of our community colleges, and I think they're giving them a bad name. We should take a very hard look at those and ask whether we can really justify them.

We should also take a good hard look at whether or not the colleges are meeting their intended aim. I will just use the title itself, applied arts and technology. Are we really turning out, to meet the needs of our people, the needs of our society and the needs of employers, people who do have a good solid grounding in the areas of applied arts and technology?

For example, at Centennial there is a psychologist assistant's programme which is supposed to prepare students to work with professional psychologists, and yet a young

lady at Centennial who has completed one year of that programme—I believe it's a two-year programme—went to a professional psychologist's office and described what she was doing, and the way in which she was preparing herself and gave him a copy of the course outline. In his estimation—and they immediately called back the director of the programme—it wasn't preparing her for the job at all.

At Sheridan College, there is a programme in commercial art. I've been talking to a couple of employers who have graduates from that college and they are most unhappy and most dissatisfied with the ability of those students to perform the job for which they believed and which the employers believed that they were trained. I think we have to take a good look at that.

We're going to be looking at the various votes of these estimates and at that time we'll be able to deal with some of the specifics. I would like to close by drawing attention to the faculties of our post-secondary institutions. I wonder if we're being totally fair with them when we compare them in some of their programmes with other members of the educational community in this province.

For example, why is it that teachers in the elementary and secondary schools have a pension programme under the Teachers' Superannuation Act that not only guarantees their income on a province-wide basis, that not only includes partial funding—as a matter of fact, match-funding from the provincial government—but is also portable from one community to another? Why cannot the faculties of our colleges and universities have that same opportunity? I don't think we're being totally fair to them.

When we take a look at what's been happening to the salary levels of our post-secondary faculty over the last five or six years in particular, it occurs to me that the restraint programme which the government is imposing upon all segments of our society just this year is one that has, in fact, been imposed upon our colleges and universities for the last four or five years. If, for example, you just look at the rates of inflation over the last four or five years, and the rates of increased enrolment at those institutions and then look at the increase in funding, in every single year there was a negative discrepancy.

Part of that negative discrepancy had to be reflected in the salaries that we pay to our professors, the teachers at our community colleges and our universities. It is just as true at that level as it is at any other level of education. The quality of your

teaching staff is what determines the effectiveness of the whole programme—of everything that we stand for. I just don't think we can continue to afford to allow those people to be—in their eyes and in the eyes of others, myself included—downgraded that way. I think we must be more sensitive to what we have been doing to them over the last three or four years and what we can be doing for them and with them over the next few years.

Mr. Chairman: Does the hon. minister have a reply?

Interjections.

Hon. Mr. Parrott: I certainly enjoyed some of the remarks of the critics in the parties opposite. I'll try to stick as best I am able to the script as I wrote it here following your remarks.

To start with, the member for Scarborough-Ellesmere (Mr. Warner) wanted me to make a positive statement about fees for 1977-1978 and my reply, "in the fullness of time." That is a very original line in this House. I think I have made it very clear that this government said that the fee for 1976-1977 would be established and fixed, and indeed it has been, and for 1977-1978 that will come at a later date. I am not prepared to say tonight at what point that will occur. I would think towards a later part of this year we can expect some understanding of that particular position.

I was amazed that you should suggest, when you were talking about the costs to the students, the potential loss of income. Surely to goodness if that were a reasonable argument very few people in this House would sit here. I don't think you can really factor in that kind of a cost.

I can assure you from a personal basis that any time that I have spent in those hallowed halls was more than paid for in subsequent years. I think you have to measure that in more than dollars and cents. If the only purpose of attending the post-secondary institution is one of financial reward I am sure all of us would agree, we have missed the essence of those particular years we spent there.

I can't help but feel a little disappointed that the hon. member did not define the goals of education. It seems to me that the only person in this province who is expected to define the goals and the aims of education is the minister. I believe I do have a very significant responsibility in that regard, but to have had three-quarters of an hour and

not identified one goal on a long-term basis, it seems to me you missed your golden opportunity to give me what you felt should be the goals—and I didn't hear one.

Mr. Warner: You missed part of my remarks.

Hon. Mr. Parrott: Not very much, and I will try to cover them in detail.

Mr. Warner: It is your system.

Hon. Mr. Parrott: You and I have been on the public platform often enough that I am also amazed that you should suggest to this House that I would ever support an elitism in our educational system. If there has been one message that I have tried to deliver into this province in the last six or seven months is that elitism was not a part of the system and should not be encouraged, and so I have to reject that portion of your remarks.

You touched on foreign student fees—and I have to take some exception to the remarks from the member for Scarborough-Ellesmere. You know, you talked of foreign student fees and you used the example of one BIU and you drew the conclusion that the cost was \$800 and that the student contributed X number of dollars well in excess of that to the economy of this province. Well, what you failed to mention is that many of those students are here with a cost of six BIUs.

[9:30]

If you do the arithmetic on that, you will come to approximately \$13,800, with a payment of \$1,500 on the new fee schedule, which is a deficit of \$12,300 per student. I think you would have to agree with me that that is a very significant amount of subsidization by the taxpayers of this province for the foreign students who are enjoying one of the best systems in the world.

An hon. member: Right on.

Interjections.

Hon. Mr. Parrott: I am not for one minute suggesting that all of the students here are on a six BIU level, but I reject that you should use the example of one. You have got to use the average, which might be three or four, if you want to work those out. Or give the range—that would have been fair.

Mr. Warner: That's why I asked for the figures.

Hon. Mr. Parrott: I just gave you the top and you gave me the bottom, and I am saying

the range is in between and that's the one that we should consider.

Mr. Warner: I asked if you would table the precise figures. Let's not talk about average or above and below.

Hon. Mr. Parrott: The precise figure on any one particular discipline I will be glad to supply. You know and I know it varies according to the enrolment of that individual.

Mr. Warner: Each university.

Mr. Chairman: The hon. minister has the floor. The member for Scarborough-Ellesmere has made his opening remarks.

Interjections.

Hon. Mr. Parrott: You made some comments about support staff. I have met twice with the support staff of our institutions since last October. I think they feel that, indeed, they have an open door in my ministry. The thing that bothers me most about the suggestion that there was not a concern on the part of the staff, was that somehow or other there's no compassion in this party. Let me tell you I believe there's as much—indeed, I believe there's more compassion for those kind of people in this party than there is in that party over there.

An hon. member: You're the exception.

Hon. Mr. Welch: Now don't excite the minister. Let him speak. You are getting provocative over there.

Interjections.

Mr. Bounsall: I shall have to rewrite my opening remarks now.

Hon. Mr. Parrott: And then you went on to talk a little bit about how the faculties were not heard, and I just can't agree with you there.

Mr. Warner: I didn't say that.

Hon. Mr. Parrott: Well, that was the inference that I drew from your remarks. Fine, then we are agreed that the faculty is heard in the senates of our universities. Indeed, that's where they should be heard. And they have a great role to play there, and I believe they do.

Mr. Warner: The board of governors. I didn't talk about them.

Hon. Mr. Parrott: Yes, you did.

Mr. Bounsall: The board of governors, what have you—

Hon. Mr. Parrott: We will talk about that in a minute. You were speaking about one thing that I did want to agree with you in general terms. And that is the value of stop-out education. I think the hon. member for Kitchener-Wilmot also made some remarks in that regard. Surely all of us recognize the great value of the learning process that goes on during our entire lifetime. That concept is so well-founded in this province now that I think it's almost redundant to say it again. Yes, I think the opportunity is there.

Now, whether all of us have availed ourselves of that opportunity—I am not going to suggest we have—but that is still an opportunity that's readily available to the citizens of this province.

Let me tell you an experience that I had when the senior citizens' council came to visit our policy field. Of all the ministries that they were happy with, and they were happy with almost all of them, I am sure we can conclude—

Mr. Warner: Oh, I am sure.

Hon. Mr. Parrott: But they made some very complimentary remarks about the Ministry of Colleges and Universities.

Interjection.

Hon. Mr. Parrott: They said that they were to go and obtain the kind of help that they wanted. I am sure if the members of that council were here, they would back up that statement. Now, that in itself is important, but it indicates something much more important—from where I sit, at least—and that is that people of all ages feel comfortable within our institutions—and that's the way they should. They weren't designed for people 18 to 25.

Hon. Mr. Welch: More than you can say for Correctional Services.

Hon. Mr. Parrott: I am going to have to cut down a few of these remarks. You wanted to discuss a little bit about the role of OCUA and our funding programmes and how the universities can deal with that particular aspect. I think we can deal with that in a subsequent vote—vote 2, I believe—and we will leave it until that time.

You asked me for some information on the percentages of the cost of students to the province and to the federal government. I am not going to give you the exact figures but they are going to be very close. About 15 per cent of the cost of our post-secondary

education is paid by the students; about 35 per cent by the province; and about 50 per cent by the federal government.

The real question is and it should be phrased this way—I will now give you the answer to the question: 15 per cent is paid by the students; 85 per cent is paid by the taxpayers of this province. If that isn't a good buy; if you want to explore for a minute or two whether there is a net flow of cash from Ontario to the federal government and back, I will be glad to discuss that problem at any time.

We in this province pay more than our fair share. I am happy that we are able to but let the record clearly show that indeed we do pay more than our full share into the federal coffers of this country of ours. We are glad to be in a position to be able to do that but don't think for a second that because we in the province are paying 35 per cent out of our revenue and 50 per cent comes out of federal revenue for our post-secondary education, it means anything less than the taxpayers are paying 85 per cent of the cost, the students 15 per cent. That is the only way to my mind, that you can look at it.

Mr. Conway: Tell that to the Minister of Energy. He will be impressed by the performance.

Hon. Mr. Parrott: There was some concern, too, that we had too large a growth. I don't agree with that. Your concern was about the growth of the systems—it happened too quickly. I believe there are qualified students there and I can't think of anything better than that the system has grown that quickly over these years. It is something for this province to be proud of.

Mr. Good: Especially when you can't afford to support them now.

Hon. Mr. Parrott: We are and we are supporting them well. You asked what our budget was in terms of student assistance. This item in the book will suggest that the total is \$66,488,000 for student assistance; the total to be voted upon in this ministry is \$1,167,807,000. I am sure you will be able to get a percentage of that. I don't have readily available the total budget for this province in the next year; I am sure it is equally readily available.

You asked if I could see residences for community colleges in the foreseeable future. Quite simply, I think I have to say the answer to that is a very blunt no.

Let me give you a little part of the reason. A few days ago I was informed by the Minis-

ter of Housing that the federal government, I believe, has allocated very few, if any, funds this year to assist in housing for universities. That has been and still is a responsibility of the federal government. It never has been a policy that housing within colleges and universities should be considered outside the context of general housing. I don't believe we should break from the tradition of established community colleges and establish residences. I think the very word implies a community-based college and I hope that persists in the understanding of the college system.

You wanted me to make some commitments about student aid. I have to suggest to you that we have an interim committee studying the whole problem and I think you know that. I have attempted to be very silent on any proposed changes in student aid. I think, in fairness to that committee, I have no other alternative.

They are to report in July. It would be a great disservice to them if I said "Here is what we are going to do; don't bother reporting." I am looking forward to receiving that report. I have given them full assurance that I will receive that report with a very open mind and will give it full consideration and try to implement as much as possible. I don't know what they're going to say to me but I'm looking forward to that report and will do as much as I possibly can to make the adjustments that are necessary.

I would like to go on for a few minutes with some reply to the member for Kitchener-Wilmot (Mr. Sweeney). I have to say to him that many of his remarks found a very sympathetic ear in this ministry.

Mr. Bounsall: You are not very progressive then.

Hon. Mr. Parrott: He too was concerned about growth and I think he expressed, at least as I heard it, a pleasure that this had occurred because I think we share a very common belief that there is no greater heritage to give to our children than an education. I'm convinced that the backbone of this province rests now and in the future with a good post-secondary educational system. That's what we covet for our children and what we're going to maintain in this province is a high standard of post-secondary education so that the future generations will always have the kinds of opportunity they deserve. I think you expressed that thought. I don't pretend to express it better than you but I share that concern and I agree with you.

I think you asked me where are we going on this. There are two replies I would like to make to you in that regard. It seems to me that education and evolution have a lot in common. It is a lot easier to look back and see where we have come from than it is to look ahead and to see where we're going. That doesn't excuse me from that responsibility. In the first seven months of this ministry, I have attempted to understand how it worked, and visit some of the community.

On May 31 I intend to meet with members of all sections of post-secondary education, the administrations, those that are in the process itself and a large cross-section. There will be 15 or 16 people. I won't have everybody represented there. That isn't the point. I hope on May 31 to be able to sit down with some very knowledgeable people and come to grips with some of those problems. I think that before I had an opportunity to add or help in that discussion I needed to have a fair understanding. I don't pretend to know the system thoroughly yet but I have some slight understanding of it. I think that on May 31 we will start a dialogue that may take a year—I'm quite content if it does—that we will come to some very concrete positions on the future policies of this ministry. I look to my advisory council to help me a great deal in that regard.

Mr. Ruston: We will take over for you.

Hon. Mr. Parrott: I will not be holding my breath until that happens. You asked me some specifics about what I thought and I can give you two or three things because we have talked about this. I think we both agree in co-op education. I would like to give you an illustration of perhaps where I have attempted on a very individual basis to illustrate that.

As you can appreciate, the Council of Regents does most of the work on most of the courses in community colleges. I would like to think I have a little expertise in dental education. One of the things that I insisted between a preventive dental assistant and the module that she could advance to of the highest nature was that she would have a year's training in the work force. I couldn't agree with you more that we've got to ensure that people in our institutions, colleges and universities recognize the importance of a practical experience, the in and out, the give and take of society. I think we do that with time and experience. I share those thoughts with you.

[9:45]

I must say that I really had hoped and looked for perhaps a little more direction in the field of post-secondary education; knowing your background, it's a very difficult thing to describe where we're going. I think you share that concern with me.

It's very difficult to put down in precise terms the exact model you want to see five years hence. We must work at it and I accept that challenge.

You then talked about some types of education. First of all you talked about professional education. At least from where I sit that aspect of education is reasonably well controlled, both in numbers and quality. I suspect there are some areas which aren't completely controlled but we're not needing great increases in many of our professional courses, and I think that's recognized and is a part now worked into the system.

One of your main concerns, at least as I heard it, was with the technical side of education. I think the recently announced Industrial Training Council which I mentioned in my opening statement—we'll name the people on that next week—is the future of education. Seventy-three per cent of our people aged 18 to 24 years of age are outside post-secondary education and we must recognize that large body and give it the assistance we have given the other 28 per cent. I believe that 28 per cent has had a great opportunity here in Ontario and, the 73 per cent, with the announcement of the Industrial Training Council, can look forward to a greater understanding of their problem.

We indeed do need to help many people in the work force right now who want to increase their knowledge and are willing to work for it. I am convinced we will accomplish that with this particular council. It's not going to happen within the next month or two months but using our present system it will work. We don't need more bricks and mortar, in my mind, in this province. We need greater utilization of those services we have now and I think it will be both beneficial and not too expensive. We will be able to afford it.

I would have to remind you that in the area of research a large share of the dollars we allocate in vote 2602 to the universities goes to salaries of the faculty, which in turn generates a great deal of research. I wish the federal government had treated the faculties and the research component nearly as generously as we have this year. As I understand it there is either a cut or a decrease whereas in our particular budget we would

say a 14 per cent increase. I'm not suggesting all the 14 per cent went into research but I'm saying a share of that does go into research.

You mentioned arts. I think the community colleges have done a terrific job in graphic arts and in many of the artistic elements. I've had a chance to see various works and I'm impressed with what I see in the community colleges in that area. We may not be talking the same language now about the word art. It has a great difference in meaning to different people.

I agree with your concern on Canadianization. I think that's fairly obvious from the remarks I have made recently.

You asked that a dialogue take place between the Minister of Education and I. I suggest in some place here—I guess under policy and planning—we can talk about the interface study which is a very large co-operative programme between the Ministry of Education and the Ministry of Colleges and Universities to talk about our common problems. I hope that by February of next year that dialogue will have taken place and we will have some very tangible things to talk about and to consider.

I don't want to take too much more time but I do have to respond, I think, to whether or not I broke a promise on the fees. I certainly don't believe I have. We have said to all Canadian and landed immigrant students that their fees 1976 to 1977 are frozen; the universities know that. We used the Jan. 1 date, I think, with a lot of good reasoning. As a matter of fact when that date was going to be established I was helped in the decision, not on whether or not it be announced but that the date was the reasonable and fair one, by the committee of presidents of the universities. They see that as the appropriate time to make a change. We've committed ourselves not to just no increase in fees for those people this year but we've said they will bear whatever rate applies in this province until 1980. If that's breaking a promise, I have a great deal of difficulty in understanding it. I really do. These people have been guaranteed that they can finish their course or go to 1980 at the same fee as the Canadian student is paying. I just don't understand how you can consider that a breaking of a promise.

In conclusion, I have to say the one area I disagree rather strenuously with the member for Kitchener-Wilmot was with the credibility of the tests. It might be his perception that they're not held in high regard. That isn't the feeling I've had as I have toured

the province. In fact, the feeling was to the contrary. I think one of the problems you identified was with the type of course that frequently is used to illustrate why we shouldn't be sponsoring this or that course. There are some rather, shall I say, instant courses, but almost invariably they're on a self-sustaining basis. What's wrong with that?

If that course is being paid for by the students and people taking it, then I think it should be held. But what I say you should consider is that there are many courses that are put on at night, part-time, that are returning to the taxpayers of this province some real participation for the huge dollars they invest. I think they're entitled to that. I believe if you look through the total community college programme that the many courses that our adults are taking, where there might be a subsidization at a cost to the taxpayer, it's to the very people that are paying the taxes. I think they deserve that kind of assistance and that kind of encouragement to keep their education a life-long experience.

I've wandered on a bit longer than perhaps I should have. If there were areas that I have not covered in specifics, between now and next Thursday I'll make every endeavour to give you those specific details as the staff in the ministry have an opportunity to look over your remarks.

Mr. Chairman: Perhaps we could deal with the votes in the various items at this point.

On vote 2601:

Mr. Chairman: Item 1, main office.

Mr. Warner: If it's at all possible, I have two brief remarks to make prior to that vote, Mr. Chairman.

Mr. Chairman: On a vote I think the normal procedure is for the critics to speak from each of the opposition parties and then for the minister to respond. Any further discussion concerning the various items would come under individual votes, so I would ask that you restrict your items to the main office, item 1.

Mr. Breithaupt: Agreed.

Mr. Warner: All right. Is it possible to put items 1 and 2 together under that first vote; main office and policy and planning?

Mr. Chairman: I would suggest to you that the general administration or the administrative policies would come under main office.

Then policy and planning, I suppose of some of the individual departments, would come under item 2. I would suggest that you deal with item 1.

Mr. Warner: I take it under the main office, ministry administration, that this in some way involves the minister. I think the minister should not really expect to stand there and ask me to present a point-by-point detailed description of the philosophy, the goals and aims of the system when you collectively, not personally, have been the government of this province for 30 years in charge of the system. I haven't been in charge of the system. If you would like a point-by-point detailed description of the philosophy, goals and aims and objectives at some point I'd be glad to supply them; but I don't think that that, particularly, is my job of guidance at this point. Because the government doesn't have particular goals and objectives, let's not shuffle it off onto somebody else.

I would ask the minister if he is not convinced that all students in the system are under the same type of conditions, let him take a look at a book called "The Adult Learner in the University: Does Anybody Care?" by Jean Skelhorn, from the department of adult education, Ontario Institute for Studies in Education. He'll find it interesting.

There is one particular section in there which I think says a lot of it. It describes a woman of 35 years of age who is not a full-time student, a quite mature student.

She was bright and perceptive, but it was tough and go all fall. Her husband had left her with two small boys after she had worked and put him through school.

She was up against all the barriers faced by a mature student entering university: Anxiety about academic ability; lack of time; self-doubt; stress; second-shift style of living. And there were extra problems encountered by a single parent: The lack of adequate daycare centres; the daily uncertainties of domestic emergencies; the feeling that nobody cared; the difficulty of meeting essay deadlines because of so many responsibilities; and the perennial problem of lack of money.

And as you know, those students don't have the same opportunities towards grants and loans that full-time students do. She was a part-time mature student.

It goes on, and the point is that the system does not provide in an equitable fashion the same kind of experiences for everyone. It's geared to the 18- to 23-year-old

—I'm not saying that's bad, in the sense that it does meet the need for those who make up most of the system. But it has to be flexible and meet the needs of other individuals, like single parents and older students.

What concerns me out of the remarks that I heard earlier is the fact that you are perhaps—and if I have misconstrued your remarks, I am sorry. But I take it that you look at the system as fine the way it is and that it doesn't have to adjust to take in different groups. I think that's wrong.

Mr. Chairman: there are other votes I am more concerned about than item 1 in the main office and so I'll pass for now and come back on some of the others and give other members an opportunity.

Mr. Conway: I'm not so sure that I might be perhaps speaking out of turn. Did I understand you to say that under this particular part of this vote we could make some comments with respect to policy and planning?

Mr. Chairman: Overall ministerial planning.

Mr. Conway: I just wondered, because my comments had a direct bearing on the general policy.

Mr. Chairman: I would think that you should deal with that under item 2.

Mr. Conway: All right.

Mr. Chairman: Shall item 1 carry?

Mr. Bounsall: No, Mr. Chairman. This is precisely the vote which I have been waiting for in these estimates. This is the one that deals with the ministerial office, ministerial planning and, more particularly, ministerial initiative.

The minister knows that I have a high regard for him personally. When you look back at the ministers who have occupied this Ministry of Colleges and Universities, including the member for Leeds (Mr. Auld) who is presently in the House, this minister has by far and away the greatest potential of making a success out of this job than any of the rest of them. I can remind the House the first one was the former member for London South—

Mr. Breithaupt: That's known as being damned by faint praise.

[10:00]

Mr. Bounsall: Well, it's not very high praise at the moment when you look at the former crew. The former member for London South could not get out of his mind that the college and university system in Ontario was like a

factory and the students coming out of either system were simply a product of that system to be measured and packaged and sold. His more-scholar-for-the-dollar theme for that whole period, certainly indicated his whole idea of the ministry and he couldn't get beyond that.

The second minister in this portfolio—again you had them in this ministry at the rate of one a year—was the former member for Halton West, the current member for Burlington South (Mr. Kerr). He was put into that ministry from the Ministry of the Environment; he did not want to leave the Ministry of the Environment. He would pay no attention to the Ministry of Colleges and Universities because he was still fretting over having lost the Ministry of the Environment and that lasted throughout his entire tenure in the ministry. He paid virtually no attention to it and I'm not betraying any confidences of any of the staff in that ministry when I say that. It was quite widely known and he didn't hide the fact.

You then got the former member for one of the Hamilton ridings, Mr. Jack McNie and I think he tried. Unfortunately, he didn't know at all where he was going, what he would do when he got there and why he was there in the first place. He was given the post because he represented the constituency in which McMaster University sat and was a personal friend of the Premier of the province (Mr. Davis). That made him eligible for this ministry. I think maybe with a lot of time that member may have become a good Minister of Colleges and Universities but at no time in his tenure was he up to the post.

Then we come to the one who was your immediate predecessor, who is here tonight in the House, the member for Leeds (Mr. Auld). He tried to run the ministry as if he were the Minister of the Environment still. For every question asked he thought he could flip to page 32 of a particular publication and be able to read off the facts irrespective of whether or not the question had any philosophical content. It just didn't work. I must admit I kind of agree with that former minister when, in one of his early comments about ascending to the ministry, he said perhaps somebody might give him a bachelor's degree, something which he lacked.

Now you don't lack any of those. You have an intellectual grasp equal to this ministry, equal to giving it some real direction from your personal individual policies. There's a lot of scope for that in this ministry. None of your predecessors had any real concept of what should be done in this ministry.

Mr. Conway: Here, watch this. Take it easy, the minister is blushing.

Mr. Bounsall: You have some idea of what the system needs in the Province of Ontario.

Interjections.

Mr. Bounsall: You have the opportunity such as no other person has had in this job yet to do something with this ministry.

Mr. Conway: Yesterday starts tomorrow.

Mr. Bounsall: I'm criticizing no one in particular in your ministry when I say you are not necessarily going to be led by or be dependent upon officials within your ministry. You have an opportunity to take the very capable people within your ministry and their energies and drive and say to them, "This is where I want you to go," rather than saying to them "What should I be saying?" which has been too often the case, probably entirely the case, with all your predecessors in this position—apart from more-scholar-for-the-dollar White, who was very clear on what he wanted out of the ministry. It was simply more scholars for the dollar; more packaged products out the other end, the antithesis of what we've heard from the three of you here tonight.

There are two or three areas I would like to suggest where you personally are capable of taking the lead. One of them is the whole apprenticeship programme in the Province of Ontario. You're not familiar with it as a person with the background you have; I don't think virtually anybody in this House is. But you've got the capacity to see that something is done in that field.

I have had worker group after worker group knocking at my door saying: "Why isn't there an apprentice programme in my area? Why is the company I work for allowed to get away with a system by which I can work there for X number of years at what are in effect apprentice programme wages, only to be stopped three months shy of putting in the ministry requirement of the number of hours? I am not allowed to complete my full apprenticeship, but I'm given a certificate which applies to that company only; which is a means of preventing me from having journeyman papers."

The minister has the opportunity to say to the whole electrical industry, and that industry is rampant with it and virtually every other trade industry in this province, you are not going to pay those journeyman's wages for that pseudo-programme and stop it just a few months shy of what would be proper provincial certification. You're going to have our

proper programme in here and we'll lay on the programme with you and we want it done within one or two years so this sort of procedure doesn't continue.

This province is a farce across North America and certainly in Europe because of what we haven't done in the apprentice programme. The minister can take the lead and get it done, for heaven's sake, because he is capable of understanding it. No other minister in his position has. It is a question of burning interest right across this province. It makes my blood boil about the way this ministry has sat back. It really didn't want it in the first place.

It came from the Ministry of Labour, which it probably should have stayed with in the first place, but because there's going to be some of the course taught by the college, it was a logical step. Let's get apprentice programmes in all the trades in this province. Say no to companies that are not going to pay journeyman's wages in their plant and stop that programme one or two months shy of the end so that they can give them their certificate but they don't qualify for journeyman pay any other place else or in any other plant in the province. That worker is non-mobile. The net effect of this is that if a company needs to employ a journeyman it has to go outside of the Province of Ontario to get them because we don't train them here. That's your responsibility and your ministry's.

I've wanted to say this for a long time. It was something I missed a year ago in saying. The minister can take that initiative. He personally can get that ball rolling in a very substantial way in his ministry and make it a top priority. We're the laughingstock of every European jurisdiction — that's for sure — and many of the other North American ones because of the lack we have of apprentice programmes or movements by the minister and the ministry in saying we should have the proper type of apprentice programmes.

I could hardly believe my ears when the minister talked about the research and the moneys given to the universities in research. The deputy minister knows how much money that the Ministry of Colleges and Universities gives to the universities of Ontario for research in this province. It's virtually nothing.

Hon. Mr. Parrott: That's just not true.

Mr. Bounsall: In the percentage you give to universities that goes into research, let's make it very clear the faculty salaries are not research in this province. Neither through the Ontario Research Foundation nor through a branch for applied research in this province

is this province doing virtually anything. Tell me exactly the number of dollars which you give for research of any kind in this province. I'm not even asking for pure research. It can be applied research and probably that's the role Ontario should play.

Heaven knows, there's enough areas in which you can apply it. With all the replacements for energy in this province, wind, solar or the electrolysis systems, with which Ontario Hydro should be being involved, all of the environmental projects which could be worked on, and you're virtually doing nothing in the area, you can decide that the Province of Ontario should go forward and do some applied research in this province.

Every other Minister of Colleges and Universities has virtually said when we have come to this point that this is a federal jurisdiction. They have said if you want money for research, you should go to the National Research Council or go to the Medical Research Council or go to—what's the one that funds the arts? I've never had to apply to them yet—the Canada Council. That's where you go in the Province of Ontario at least for applied research. You should be putting some more money into it.

It makes good planning sense. It's surprising you haven't done it in this area because it would follow the Tory philosophy over the ages of funding projects by which you became a partner in it. If you funded some research in all these areas, you might end up owning some technological rights which would pay untold dividends in actual cash terms in the future. It is an opportunity you should grab.

The Province of Nova Scotia is doing more in wind and solar energy than this government is in terms of research.

Interjections.

Mr. Breithaupt: Great Liberal province.

Mr. Bounsall: Mind you, they don't have to do very much to surpass this government.

Mr. Conway: What about Fred Burr's windmills?

Mr. Breithaupt: What are they doing in Saskatchewan?

Mr. Bounsall: There is one other area in which I think the minister could take some initiative. It has been touched upon two or three times by speakers already tonight, and let's just touch on it again.

The minister can take a lot of initiative in any area to lead universities and colleges

down the road they should be taking. I would like to see the minister—and there is no reason why he can't—just come out and say to the universities: "For heaven's sake, why don't you get together like every other group of associated people in this province and have your common pension plan, your common fringe benefits, so you have portability within the community?"

We don't necessarily say you have got to have a government plan. I would be the last person to say that the university faculty and staff should be associated with some government plan like OMERS, but you can encourage them that they should get into some common plan to save the funds of the university. Any common plan when put out to bid—and that is what should be done—is going to save funds from the employer contribution and provide more benefits for those persons in the plan. It makes good, sound economic sense. Let's even forget about the great social benefit that would be.

You should be saying to the faculties and staff at the universities: "For heaven's sake, get a common programme; and we will assist you if necessary." I don't think they would need any assistance, but perhaps a bit of co-ordination in seeing that the proper organization takes place so that a reasonable plan could be arrived at, and bids called province-wide.

I don't expect your deputy minister to agree with this next statement. We have had our differences over this before, but we have talked tonight in terms of admission standards to the universities. I can indicate to you that I still feel very strongly that the minister himself should look very closely at whether or not there shouldn't be established some common graduate student admission standards, discipline by discipline, across this province. So that someone who enrolls in a master's programme in psychology at the University of Windsor, for example, has at least the same capability of doing that programme as someone who enrolls in it at U of T, or at Lakehead, or Ottawa or any other place around this province.

We are not saying that you have to go into them and say: "Look, these are the standards I expect." Instead you say: "Discipline by discipline, sit down and decide upon reasonable minimum standards." And apply them right across this province so that when someone graduates with a master's degree or a PhD from any university around this province, it cannot be looked at as some second-class degree if it comes from a particular institution. It is, in fact, a degree

which is comparable right across this province.

Surely if you are going to fund graduate studies to the same extent right across this province, you have got to be interested in some common entrance standard. You have got to be interested in the product—if you want to use John White's phrase—the product being a degree which is acceptable at any institution across this province.

This bears upon the Canadian nationalism question, which you have heard so much about. When you go to hire faculty someone says: "Well, we are not going to hire that Canadian because he graduated from university X in Ontario. We think Oxford, Cambridge, Cal Tech and MIT standards are higher and we will take that other person."

[10:15]

We are spending enough money in this province, Mr. Minister, on graduate training so that you should be able to assure yourself that that graduate training is adequate and those people coming out with those degrees are capable of being hired anywhere in the world, and backed by our own institutions.

Interjection.

Mr. Bounsall: And you can take that initiative yourself. I suggest that on that particular line you are going to have to circumvent—and it is well known between the two of us—your deputy Minister of Colleges and Universities. He has that—well, let's just say within your ministry there is a certain 18th century, laissez-faire liberalism which pervades, which somehow you have got to get around—and using your own initiative you can get around that.

Mr. Breithaupt: What are they doing in Saskatchewan?

Mr. Bounsall: You know one other point. We can put this one under any vote we want to, because you can if you want to do it get involved in them all. With your predecessor I think we should have passed vote 2601, item 1, because we were not confident at all that he would get involved in any initiatives, but you have got the potential for this.

Mr. Conway: Watch out, Harry. I tell you, this guy—

Mr. Bounsall: You have got the potential for this, Mr. Minister. On the student grants, I don't agree with the \$1,000.

Mr. Warner: That's ridiculous.

Mr. Bounsall: It shouldn't be increasing.

An hon. member: Give them \$10,000.

An hon. member: It should be decreasing.

Mr. Bounsall: The opportunity for student summer jobs this year and last year are much fewer than in previous years. In the view of that to increase the loan portion, based on some assumption that the rates of pay are going to be higher and all the rest of it, is pretty fallacious.

And you know, somewhere, some time away back, when you were starting your student grant programmes, some functionary within your ministry or in the Ministry of Education at that time said, "Look, in devising this scheme, let's find out if there is anything we should do." Someone fixed upon the idea that if you owned a car, that was going to be detrimental and the value of that should be deducted from your student grant loan. Having made that statement, probably some night over a beer, he came in the next day and wrote it into the standards; it has never been reversed.

You should take a look at that whole programme. I can tell you that anyone who came into Windsor—with the city's lousy transportation problem—to attend either the college or the university, has to own a car to get there. If he wants to go to school there he has got to virtually own a car to get there or live in very close parts of the city—if he can afford to, the way you make your grant and loan structure in the other parts of it. If he is going to have physical access, you are going to penalize him or her all to blazes and gone. This must be true in the whole post-sec community right across this province.

I see absolutely no reason as to why that car allowance, once having been put in there, for God knows what reason—it's somebody's nightmare—remains.

Now you can take the initiative here and bring in some new and fresh outlook to this post, a post which I think you are interested in. I would say challenge all of those concepts, but don't be pushed into it by us. We don't necessarily want to be critical of you. We would like to give you a few months in this post and say to you, Mr. Minister, challenge and question everything, just as if you were a first-year undergraduate student yourself at university and receiving for the first time that advice. You really have an opportunity within your ministry to challenge all those old precepts and that's one of them. I would say challenge them all. With your capability you might come up with some very interesting solutions and changes which will

be of advantage to our system, a system which basically is good—I agree with you on that—but which could stand some more improvement and some more clear government thinking on it.

Just one further point on the community colleges in Ontario. They originally were set up, as the minister knows, to go out and meet the educational needs of the community, whatever those educational needs were. We have some colleges in the province which have become eminently successful at that. St. Clair College in Windsor has been one, for over the years they have not only met the need as it has been portrayed to them by the community, they have gone out and they have searched out the needs before people were aware in a vocal sense that courses needed to be given. They have then given the courses and at no surprise to them found students in them.

So very few of our colleges have had that. You, with your perspective, knowing what they should have done, seeing what some colleges have been capable of, should take the initiative. Forget a little bit about your local autonomy; don't always hide behind the local autonomy argument. You could do nothing in this post.

Mr. Breithaupt: Decentralize it.

Mr. Bounsall: We had a minister in this post who did absolutely nothing, because to virtually every programme, every suggestion and every initiative he could take, he would say, "I really can't do that because local autonomy prevents me from doing it."

Don't hide behind it. Go out and say to college X, "This is the original plan for the colleges. This is what the colleges should be doing in philosophical and physical terms. What have you been doing lately? Why haven't you gone out and done this, this and this? Don't make it a carbon copy of what George Brown College in Toronto is doing or St. Clair College down in Windsor. Go out and hire people who can help you take the initiative in the community in which you sit so that you can, in effect, represent the community."

I have great hopes for you as a minister, and great hopes for changes in this post, but you can't do it—

Mr. Conway: Watch him.

Mr. Bounsall: —unless you personally take some initiatives in it, and I urge you to so do.

Hon. Mr. Parrott: Mr. Chairman, do you want me to reply one at a time?

Mr. Conway: I'd like to make one or two brief remarks and perhaps you would care to reply to those because they are very much subsidiary to that very eloquent and passionate dissertation by our friend from Windsor-Sandwich. Ernie Bevin shall never die. There are one or two things with respect—

Mr. Bounsall: It is all a conflict of interest, I understand.

Mr. Conway: That's true and perhaps appropriate that I should follow in that particular vein.

Mr. McClellan: Give us some more of the little red schoolhouse.

Mr. Breithaupt: We have heard that one.

Mr. Conway: There are one or two things I want to interject because it is not so very long ago that I had a particular interest in this business of colleges and universities.

One or two points I would like to interject and both of them relate to some of the general thrust of your opening remarks. You said something which, I suppose, we all have to say at one point or another in the interest of motherhood and good politics; that is that in our university and colleges system—perhaps speaking from my own experience I'll limit it to universities—there is the business about elitism.

I think it has to be said, however imprudently it might be said, and I think my very good friend from Windsor-Sandwich edged near this particular area when he talked so very recently about establishing some degree of common standard for graduate programmes throughout Ontario universities. I want to say to you, having left the university community about eight or nine months ago, that I think there is a real crisis in terms of the academic community, both teacher and student, with respect to this question of elitism.

Clearly, I think we have to understand that our system be made as democratic as possible in terms of access so far as graduate programmes in universities and, for that matter, undergraduate programmes are concerned. I think it to be the most objectionable form of folly to suggest that elitism is not to be considered, certainly in the academic part of education. From my point of view, and this perhaps is just a personal feeling I have long held, to suggest that there is not a gradation of grasp in the areas of academic education is improper and untrue. That's my own feeling.

I think that our system, if it is going to progress at those levels, has got to be frank and admit to that. I think anyone, certainly at the highest levels, who would not agree with me there proceeds somewhat at his own peril. It is my understanding, and I gather my friend from Windsor-Sandwich would not altogether disagree with me on that, there is a gradation at that level which, if the system is going to succeed, must surely be acknowledged. I am sure you would care to qualify your remarks to take care of that.

I do hope that we do not, as a group of politicians, protect and push ahead the essential policy that there shouldn't be and in fact is no elitism in academic education because from my point of view there is no greater untruth.

A second point, a very brief point, relates to expectations today in universities. Again my friend from Windsor-Sandwich mentioned the crisis presently facing a lot of people, not only concerning summer jobs but graduating from undergraduate programmes and other such programmes. One of the things that disturbs me a great deal, and I have maintained a fairly close contact with a lot of people in quite a number of Ontario's graduate programmes, is this whole question of expectation.

We're at the point now where people enrolling in PhD programmes are being told over and over and over again that to apply and to be received into the programme is perhaps to realize more than anything else that the chances of getting a job in the academic community are virtually nil. I hope that the government, as I'm sure it must, pays serious heed to that set of circumstances because I think it is a serious one that threatens to undermine much of the stability within the programme.

I have one final point that has been raised by my colleague from Renfrew South. I know that it has a certain frivolity about it for many, as I think it should, given the manner of presentation on a number of occasions, is the question of sabbaticals. I think perhaps it is useful at this point in time to discuss it because sabbaticals reflect one of the basic traditions in our academic community. I don't think I overstep the facts when I suggest that. None of us here would deny the fact that this particular framework of the institution is abused a times. I certainly wouldn't suggest that that is not the case.

I do hope that the minister in this particular debate is willing to come forward and elaborate somewhat on his particular views on this particular topic. I well understand

how fashionable it is for those red Tories of redder necks to introduce this flaming topic into a public debate because, let me tell you, it is pretty popular out in certain parts of the non-academic community. But I think it would be irresponsible for any of us here to acknowledge the essential thrust of that position, to countenance the pretensions therein and leave the impression with the population that the great sabbatical ripoff is something which should be redressed by virtue of a government restraint programme in that area.

I hope the minister is prepared at some point, as I said earlier in this debate, to elaborate upon his personal views on that one, granted small, area of tradition in the particular estimates that we find ourselves in this particular ministry. I further hope, in the interests of those who are in the sabbatical range in my particular part of Ontario who have been quite interested in this line of inquiry being pursued by the member for Renfrew South, that the hon. minister continues to take into his esteemed confidence the hon. gentleman from Renfrew South who, no doubt, will continue to have questions of one sort or another with respect to this interesting tradition in this ministry. Those briefly are my comments.

Hon. Mr. Parrott moved that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions and asks for leave to sit again.

Report agreed to.

NIAGARA ESCARPMENT PLANNING AND DEVELOPMENT AMENDMENT ACT

Mr. Speaker: Earlier today the hon. member for Waterloo North (Mr. Good) raised a

question concerning the reporting of Bill 9, An Act to amend the Niagara Escarpment Planning and Development Act, 1973. I understand that the hon. member has now had an opportunity to hear the Hansard tape from the proceedings from 9:45 to 9:50 p.m. on May 18, during which the chairman put the question, "Shall the bill be reported?" and this question was carried. The chairman then proceeded to report the bill to me and the bill was given third reading earlier today.

The hon. member for Waterloo North may have a grievance in that there may have been further discussion from hon. members on the bill. However, I note that there were 85 members in the House, none of whom objected to the bill being reported. Therefore, I find nothing improper in the proceedings.

Hon. Mr. Parrott: Mr. Speaker, before I move adjournment of the House, I think the House leaders are aware that the budget debate will occur tomorrow.

Mr. Speaker: Before we consider the adjournment of the House, I believe the hon. member for Waterloo North would like to speak very briefly to my ruling.

Mr. Good: Thank you, Mr. Speaker, I accept your ruling. I listened to the tape and there is, faintly discernible on the tape among all the other noise and interjections, that the bill was reported. Although it does not appear in Hansard that the bill has been reported, it is on the tape. If that is satisfactory for the Legislature to report a bill, I'll have to agree with your ruling.

Mr. Speaker: The Chair notes the hon. member's comment with grave sympathy and concern.

Hon. Mr. Parrott moved the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 p.m.

CONTENTS

Thursday, May 20, 1976

Estimates, Ministry of Colleges and Universities, Mr. Parrott	2499
Speaker's ruling re reporting of Bill 9	2525
Adjournment	2525

SPEAKERS IN THIS ISSUE

- Bounsall, E. J. (Windsor-Sandwich NDP)
- Breithaupt, J. R. (Kitchener L)
- Conway, S. (Renfrew North L)
- Eakins, J. (Victoria-Haliburton L)
- Ferris, J. P. (London South L)
- Foulds, J. F. (Port Arthur NDP)
- Good, E. R. (Waterloo North L)
- Hodgson, W. (York North PC)
- Makarchuk, M. (Brantford NDP)
- McClellan, R. (Bellwoods NDP)
- Moffatt, D. (Durham East NDP)
- Newman, B. (Windsor-Walkerville L)
- Nixon, R. F. (Brant-Oxford-Norfolk L)
- Parrott, Hon. H. C.; Minister of Colleges and Universities (Oxford PC)
- Ruston, R. F. (Essex North L)
- Samis, G. (Cornwall NDP)
- Shore, M. (London North L)
- Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
- Swart, M. (Welland-Thorold NDP)
- Sweeney, J. (Kitchener-Wilmot L)
- Warner, D. (Scarborough-Ellesmere NDP)
- Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)



Ontario. Legislative Assembly

Legislature of Ontario Debates

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Third Session of the 30th Parliament

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Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159)

LEGISLATURE OF ONTARIO

FRIDAY, MAY 21, 1976

The House met at 10 a.m.

Prayers.

Mr. Speaker: Statements by the ministry.

FINANCIAL PROTECTION FOR FARMERS

Hon. W. Newman: I am pleased to announce today the establishment of a financial protection task force to review methods of protecting farmers against default of payment for their products.

I believe all of us are concerned about a situation where a producer sells his entire crop to one or two buyers and then, because of difficulties experienced by the buyers, may be unable to collect all or part of the payment due him. To determine the best method of extending financial protection to producers, the task force will examine existing provincial programmes and also look at methods used in other jurisdictions.

Among Ontario's existing programmes are the dairy fund set up under the Farm Payments Act, the bonding arrangements required by the Live Stock Community Sales Act, the protection extended to producers who store their grain in commercial elevators and the licensing provisions of the Farm Products Marketing Act and the Farm Products Marketing Board. The task force will ask individuals and interested organizations to submit briefs and comments.

Chairman of the task force is Morris Huff, vice-chairman of the Ontario Food Council. Members from the Ministry of Agriculture and Food are Ontario livestock commissioner Hubert McGill, area co-ordinator Richard Heard from London and dairy co-ordinator Joseph Meiser from Toronto. Other members are Marshall Dawson of the Ministry of Consumer and Commercial Relations, Norman Harris of the Management Board of Cabinet, Hugh Baird of Saintfield, a dairy farmer, and Sam Piott, chairman of the Ontario Tender Fruit Growers' Marketing Board.

I expect the task force to report its findings to me early in 1977.

DENTAL CARE COVERAGE

Hon. B. Stephenson: I wish to bring to the attention of the hon. members an amendment to the section of the regulations made under the Health Insurance Act, 1972, concerning OHIP dental benefits. The amended regulation contains three major changes. While the changes become effective June 1, we will honour commitments for any patient whose appointment for admission to hospital for dental surgery was made prior to May 15, 1976. The previous list of 24 dental surgical procedures to be performed in hospital has been reduced to 21 procedures.

The surgical removal of impacted teeth, when two or more quadrants (upper and lower, left and right) of the mouth are involved, remains a benefit of the plan. However, under the new regulation, the surgical removal of teeth in other cases may be a benefit of the plan on condition that: first, the service is medically necessary, as with the other hospital benefits; and second, the dentist has received prior approval from the general manager of OHIP for the provision of such service. An application form for such approval will be available shortly and distributed to all the dentists throughout the province.

These changes reflect the Ministry of Health's policy that hospitalization should take place only when necessary and, in the case of surgical removal of teeth, that the OHIP general manager should approve such hospitalization on the basis of medical necessity.

It is anticipated, Mr. Speaker, that this will derive a saving of up to \$5 million annually.

Mr. Speaker: Oral questions.

VIRAL DISEASES ISOLATION

Mr. Lewis: Mr. Speaker, a question first for the acting Minister of Health: Is it possible for her to respond now to the question which was placed on the order paper of March 29 by my colleague from Durham West (Mr. Godfrey) and reconfirmed by a recent meeting of the Ontario Medical Association, asking that special isolation centres be established in Ontario for the treatment of identifiable viral diseases, particularly be-

cause of the anxieties which have been raised about the possible importation of Lassa fever?

Hon. B. Stephenson: Mr. Speaker, in conjunction with the Department of National Health and Welfare we have recommended that two such isolation sites be designated and that they be specially equipped to deal specifically with Lassa fever. However, I think it should be noted that there has not been any case of Lassa fever reported in Canada up to this date. It is to be hoped sincerely that no one will import it even during the influx of individuals attending the Olympic Games. As a result of our concern for this we have worked with the Department of National Health and Welfare to establish two specific sites in eastern Canada.

Mr. Lewis: By way of supplementary, not to be obstinate but the acting Minister of Health may want brought to her attention the Canada Diseases Weekly Report, dated May 15, the title "Lassa Fever". It indicates, "This is the first occasion in which contact with Lassa fever has required surveillance activities in Canada, including in Ottawa. The first contact that was made was a Peace Corps volunteer from Sierra Leone." Given what is indicated in the report as to the consequences of the fever, should it spread, and given what the Ontario Medical Association says—I thought at first a little stridently but I guess this is pretty serious stuff—can the minister assure us that the isolation centres will be established in time for the summer activity?

Hon. B. Stephenson: Mr. Speaker, I should like to provide that assurance on behalf of the federal government because it is its specific responsibility. We are urging it to do so and I think we are much reassured that it is considering this as seriously as the Ontario ministry has.

Mr. Godfrey: I would like to ask the acting Minister of Health how it becomes a matter for the federal government? Surely the provision of medical facilities in the Province of Ontario is a provincial matter? I would put a second part to that question; would this not also apply to other infectious diseases such as smallpox, for which there are not adequate isolation observation facilities available at present?

Hon. B. Stephenson: May I thank the hon. member for his observations?

Mr. Lewis: It is called upgrading medical education.

WATER SUPPLY IN FRANKFORD

Mr. Lewis: May I ask the Minister of the Environment, has the minister yet found an opportunity to resolve the problem of the citizens in the township of Sidney, whose wells are polluted and whose water problems are terribly severe, the minister himself has recognized, and who cannot get water from the village of Frankford? Has his ministry yet identified the source of the pollution and is there any way his ministry can resolve the problem which has lasted many months now, and we're entering the summer?

Hon. Mr. Kerr: I think the officials of my ministry have concluded the cause of the problem is the tar or black liquid that was spread on the road about the time of the contamination. We can't seem to find any other source, and there are traces of that type of material in the water that has been analysed by our ministry.

We're hoping other supply sources of drinking water such as other wells located in the area, can be made available to the people there, rather than a communal water supply, which is a rather expensive proposition at this time.

One suggestion is that there be a large well made available for the small cluster of people who live in that particular area where the wells were contaminated. This is something rather unconventional, rather unique, but there is really no objection to it, assuming there is a pure supply of potable water in that area. That is the proposition we're making to the municipal officials now. If that doesn't work and the wells themselves cannot be corrected to avoid the contamination, then we'll have to look at some communal type of supply by putting a pipe out from the municipality.

Mr. Lewis: By way of supplementary, does the minister realize the office of the Ministry of the Environment in Kingston has informed the citizens of Sidney township that:

The Ministry of the Environment has no legal way of empowering the village of Frankford to either impose water restrictions or supply water to you.

And the minister has informed the citizens as recently as February, 1976, and I'm quoting:

We would observe that the works in Frankford are being constructed as a provincial project, and it is therefore assumed that we can make water available if necessary to Sidney township no matter what the position of the Frankford council is.

This has gone on for several months. The citizens are terribly agitated. Can I ask the minister to exercise his personal intervention and get it resolved?

Hon. Mr. Kerr: Yes, Mr. Speaker, but as I indicated, to make that water available, under normal circumstances, would be quite expensive for the users in that area.

Mr. Lewis: They said they will pay if they can get it.

Hon. Mr. Kerr: Well, at least we can find out what the cost would be and put that to them; and on that basis, probably we can supply them with water.

TRAVEL INDUSTRY LEGISLATION

Mr. Lewis: A question to the Minister of Consumer and Commercial Relations relating to the Blue Vista episode: Since his registrar knew on Dec. 17, as my colleague from Etobicoke (Mr. Philip) pointed out, that Blue Vista was threatened with bankruptcy, why did it take until Dec. 30, 1975, for his ministry to ask for a temporary suspension and revocation of the licence, while money was accepted through that entire two-week period and therefore substantial individual losses incurred?

Hon. Mr. Handleman: Mr. Speaker, first of all, we were negotiating with Nordair, which was the carrier, to ensure that everyone, particularly at that Christmas season, received the trip that they paid for. If we had closed down Blue Vista, Nordair would have closed down all of its flights and we would have had thousands of people stranded at the holiday season.

Mr. Lewis: Really?

Hon. Mr. Handleman: Really. That's the way you do it. We ensured that those people got their trips through Nordair and another tour operator.

Mr. Lewis: Amazing. That's free enterprise for you.

Mr. Philip: By way of supplementary, in regard to those would-be travellers represented by Ron and Judy Rea, who have had their claim for reimbursement reviewed on two occasions during the last four months, but not in any way rejected, what pressure, if any, has the minister put on the board of trustees to give these people the benefit of the doubt? Can the minister explain why the trustee for the compensation fund refused to

allow legal counsel for these people to appear before them?

Hon. Mr. Handleman: I don't know that that is a supplementary to the original question, Mr. Speaker, but there has been no rejection of claims by the board of trustees. The registrar asked Judy Rea to provide information several months ago. She has refused to do it, or has failed to do it, and until that information is received, her status cannot be clarified. The question is whether or not she was an unregistered travel agent, in which case there would be no valid claim on the funds, or whether she was an employee of Blue Vista. Those things have to be determined before those claims can be dealt with.

[10:15]

LONDON RESTAURANT WORKERS STRIKE

Mr. Lewis: A question to the Minister of Labour, Mr. Speaker, if I may. Can the Minister of Labour take some personal interest in the prolonged strike at the Ridout Tavern and at the Garage Dining Lounge in London, where a number of workers with the Hotel and Restaurant Employees and Bartenders' International Union cannot seem to get, despite mediation efforts, a settlement which corresponds to all the other settlements recently arrived at in that industry in the London area?

Hon. B. Stephenson: Mr. Speaker, I realize we have been involved intermittently for a period of time in this dispute. I shall most certainly examine the situation next week and see what we can do about it.

Mr. Shore: As I understand it, in negotiated settlements or in disputes, there is not supposed to be any vicious attack on personal or public property. I wonder if the minister is aware there has been some damage done during the strike, and if she would look into it?

Hon. B. Stephenson: Yes, Mr. Speaker, I shall.

BROWNDALÉ OPERATIONS

Mr. S. Smith: A question to the acting Minister of Health: Can she report on the results of her meeting with the Browndale officials? Can she tell us whether the audit is available? Can she tell us whether she could expand on references in the past to payments by Browndale involving thousands

of dollars to either consultants or other companies?

Hon. B. Stephenson: Mr. Speaker, the audit is still not entirely completed because we have requested further information, which we are assured will be forthcoming some time within the very near future. I may say that the meeting yesterday, I think, was useful. I think it probably, however, is the first of a series of meetings regarding a number of issues related to the Browndale situation; and when that series is completed, I'm sure that there will be a full report to the House.

Mr. Speaker: Final supplementary.

Mr. Shore: Could I ask who is doing—

Mr. Speaker: I think the hon. member has had one supplementary.

Mr. S. Smith: That was my first question; not a supplementary.

Mr. Speaker: I meant it was the final supplementary by the hon. member for London North.

Mr. S. Smith: Mr. Speaker, I just asked a question on Browndale; I received an answer. I was about to ask a supplementary when my friend from London North got up and—

Mr. Speaker: May I make it clear; the hon. member for Hamilton West may ask a supplementary.

Mr. S. Smith: Thank you very much. Will the minister comment on any of these payments and the so-called management contracts that Browndale, the Brown Camps residential and day schools or any other Brown concern has? Could she also comment on the fact that these contractual arrangements have not been allowed in other jurisdictions? They have been considered questionable legal practices in other jurisdictions, such as Illinois for instance.

Hon. B. Stephenson: Mr. Speaker, I was not aware that Illinois had considered such to be illegal; however, I think it would be inappropriate for me to comment at all on those because those are the specific areas about which we have requested further information. When we have that further information, then comment will be made.

Mr. Shore: Supplementary, Mr. Speaker: Could I ask the minister who is doing the audit on this investigation?

Hon. B. Stephenson: Yes, Mr. Speaker, it is an audit which is being carried out by the

financial branch of the ministry, to which several of our expert auditors are presently directed.

Mr. Reid: Are they the ones who lost \$50 million a couple of years ago?

POLICE PROTECTION

Mr. S. Smith: A question to the Solicitor General: What steps is the minister taking to ensure that the Niagara Regional Police Force will find itself sufficiently funded to perform its duties in St. Catharines, so that St. Catharines will not have to hire its own police force for the city—despite the high taxes being paid in that region? Is the minister aware that the city of St. Catharines has decided to hire its own police force for municipal bylaw enforcement?

Hon. Mr. MacBeth: Mr. Speaker, I am aware that the city of St. Catharines has hired a bylaw enforcement officer. I think that's quite within their rights to do so, if they decide that is the course they wish to follow.

In regard to regional policing in the area, the OPP are still carrying a certain amount of the burden in that area, which we shouldn't be doing. When I say we shouldn't be doing it, I mean the regional police should take it over. I know that the cost of policing is a large item in the budget of any of the regional municipalities, but as to sufficient policing in the city of St. Catharines, that is a matter between the city and the regional government.

Mr. Kerrio: Supplementary: In regard to adequate policing, how would the minister suggest they police the area of Crystal Beach with the regional police force when we have such an influx of people coming in from the United States?

Hon. Mr. MacBeth: I suppose the answer, if there are not sufficient police, is to hire additional police.

Mr. Mancini: Where does the money come from?

Mr. Germa: Supplementary: Does the minister think it's entirely fair that certain regional municipalities should be receiving free police service whereas other regional municipalities have to pay the full cost of police service?

Hon. Mr. MacBeth: No, it's not, and that's one of the problems we have at the present

time. Some of the smaller municipalities which should be policing their own municipalities are still relying on the Ontario Provincial Police to do the job. We are doing our best to straighten it out but, if anything, it is a case of the OPP being overly generous rather than being under-generous; and if we tighten up and enforce the regulations, as we are attempting to do and should be doing, it will mean more expense to the municipalities rather than less expense.

Mr. Singer: Supplementary: I wonder if the Solicitor General could tell us what, if anything, the Ontario Police Commission is doing about this? This morning, he has already had five or six complaints about it. Is the Ontario Police Commission interested, concerned or setting forth any policy or recommendations?

Hon. Mr. MacBeth: The policy is pretty clear as to who should police what areas, and the Ontario Police Commission would like to see us adhere to that policy; but the problem is that some of the smaller municipalities say they simply can't afford to carry the cost of policing, which the law says they should carry.

Mr. Shore: Like the Niagara region?

Hon. Mr. MacBeth: We hope to tighten up on that as the municipalities are able to assume the responsibilities.

Mr. Singer: That is a good answer, that one.

ELECTRICITY CONSUMPTION

Mr. S. Smith: I have a question of the Minister of Energy. Since the minister is reported to have said the warning issued by Hydro Chairman Taylor on the need to reduce hydro consumption now or face restraints in the near future, is fair and reasonable, will the minister tell the House which of the measures the Hydro chairman recommended for conserving hydro that he is now prepared to implement in the form of a reasonable conservation policy?

Hon. Mr. Davis: Turn out his lights.

Hon. Mr. Timbrell: Mr. Speaker, I made it clear that the sorts of things the chairman was talking about, the kind of intervention by Ontario Hydro or by the government, would have to be the last step, if you will. At this point in time, I don't think a case can be made for government directly inter-

vening in the daily lives of people and of businesses in the ways and manners outlined in that letter.

What the chairman was saying, and trying to do, was to warn the people of Ontario that there is a potential problem five or six years down the road. If the hon. member was still here in five or six years and I, or some other Minister of Energy, stood on this side and said, "Today, we've got a problem," he would say, "Why weren't we warned about it five or six years ago?" I think the chairman is properly doing his job.

Mr. Nixon: Time the minister was back in the school room.

Mr. S. Smith: Supplementary: Since the minister seems to know what I would say five or six years from now—

Hon. Mr. Timbrell: I'm not sure what the member will say in five or six minutes.

Mr. S. Smith: —what I might say five or six years from now, if it's of interest to him, is, "Why didn't you introduce a decent conservation programme when you had the chance?"

Hon. Mr. Timbrell: Was that a question?

Mr. S. Smith: No, it was not a question.

Hon. Mr. Timbrell: The member doesn't want an answer, in other words.

Mr. S. Smith: The minister will have his chance to answer in a moment.

Mr. Nixon: Now comes the question.

Mr. Speaker: Order, please. Does the hon. member have a question?

Mr. S. Smith: When, for instance, will Hydro's pricing structure be changed so that they charge more for increasing rates of consumption instead of less? And if he is not developing mandatory controls to reduce consumption, what is the minister doing about developing a built-in regulation designed to conserve energy?

Hon. Mr. Davis: The member wants Hydro rates to go up even further?

Hon. Mr. Timbrell: If that particular member would take the time to read Hansard, to read the Hansard of estimates, to read the reports that come out of the ministry, to talk to his members on the select committee and to talk to his members who were in the estimates committee last fall, he would know

that the new Ontario Building Code came into place on Dec. 13—

Mr. Nixon: How about the rate structure?

Hon. Mr. Timbrell: —with much better standards of insulation for all new dwellings under 6,000 sq ft. He would know—

Mr. S. Smith: Very impressive. What about the rate structure?

Hon. Mr. Timbrell: —we have in place a very comprehensive conservation programme in the province. He would know Ontario Hydro has been directed to have in my hands by Oct. 1 its costing study.

Mr. Shore: Answer the question.

Mr. Speaker: Order, please.

Hon. Mr. Timbrell: He would know I have given a commitment that that will go to the Energy Board for a public hearing.

Mr. S. Smith: I take it we are not going to hear about the rate structure.

Mr. Peterson: Give the minister a personality test.

GROUP HOME LICENSING

Mr. S. Smith: I have a question of the Minister of Community and Social Services. Will the minister table a report he has, which I can assure him is not of great interest to the Russians and there is no other need to keep secret, on Viking Houses, commissioned by the former minister last year in response to a series of Globe and Mail stories, which apparently recommends licensing for all group homes regardless of the number of children in them? Will he now admit it was this support that prompted his assistant deputy minister to promise legislation in this regard last year?

Hon. Mr. Taylor: I think the leader of the Liberal Party may be somewhat confused in terms of the sequence of events and the reporting.

Interjections.

Hon. Mr. Taylor: As I explained some time ago, an interministerial committee was set up. The report was completed and it is presently being discussed by the policy field on social development. That's a cabinet document and not for publication. In terms of his specific reference to Viking Houses and the licensing of a home, regardless of the number of residents in that home, I don't think it

makes sense frankly to provide a licence for someone who might have a visitor, for example, a grandmother, who would be looking after a couple of grandchildren. The hon. member would have them licensed if what he says is correct.

Mr. Shore: That's the minister's real heart coming out now.

Hon. Mr. Taylor: Yes, indeed. I would rather the hon. member be more specific in the particular document that he's talking about. In my estimation, that's part and parcel of the overall study of the problem of residential care, whether it's for the young or for the old.

Mr. S. Smith: By way of supplementary, since the minister is unable to tell the difference between a group home operating for profit, as Viking Houses is, and a grandmother having some children to babysit, may I ask if the intent of his remarks is that any grandmothers who presently happen to have five children in the house are supposed to apply to his ministry for a licence?

Hon. Mr. Taylor: Again, I would have expected that the hon. member would recognize the difference between children who have common parentage and those children who don't. We are talking about children without common parentage when we are talking about the group homes.

Mr. Breithaupt: It is your grandmother, not ours.

Hon. Mr. Taylor: If the member wants to talk about his grandmother, the grandchildren could be from different parentage.

Mr. Ruston: They are in bad shape over there.

Mr. S. Smith: When the minister knows that his own report has advised licensing group homes for fewer than five children, how can he come before this House and tell us that that is impossible when his own assistant deputy minister has recommended a very similar thing and has promised—

Mr. Speaker: Order, please. May I point out to the hon. member for Hamilton West this is not supposed to be a debating session?

Mr. Peterson: It was a good question.

Mrs. Campbell: Let him answer the question.

Mr. Speaker: Order, please. The question is to ask for information and then the sup-

plementary is to ask for a clarification or further information and is not to be debated.

Mr. Ruston: It is called a non-reply.

Hon. Mr. Taylor: The hon. member made reference to licensing of homes, regardless of the number of residents.

Mr. Mancini: Which question is he answering now?

Hon. Mr. Taylor: The second reference was in regard to licensing of group homes with fewer than five. There's a big difference because one may draw the line at three and one may draw the line at four but presently it's at five. Certainly we are considering the drawing the line at something other than five but I wouldn't suggest that that be drawn at two, for example.

[10:30]

Mr. Lewis: Supplementary: Is the minister also considering the, in a sense, rather broader question in the interministerial task force of the right for group homes, dealing with disadvantaged young or old, to locate in municipalities and in communities across the province without the discriminatory exclusion which many municipalities now render by zoning bylaws? In other words will he suggest an amendment to the Municipal Act or the Planning Act, which will remove the right to discriminate against group homes of the kind we're discussing, whether they're for kids or the aged?

Hon. Mr. Taylor: Mr. Speaker, what the Leader of the Opposition is talking about is the problem of municipalities passing restricted area bylaws or zoning bylaws which effectively prohibit the establishment of a group home in a neighbourhood. As a matter of fact we have addressed ourselves to that problem. We have suggested a model type of bylaw a municipality could pass which would permit this type of thing because we think there's merit in many cases in establishing a more normal neighbourhood type of setting. At the same time, in direct reply, we have not considered making it mandatory for a municipality to zone any specific use in any specific area.

OCCUPATIONAL HEALTH

Mr. S. Smith: One final question of the acting Minister of Health: Is the minister aware of the mounting concern in the United States about the high incidence of leukemia and lymphoma deaths among synthetic rubber workers; and is the minister aware of the con-

ference convened by the National Institute of Occupational Safety and Health in the United States in Kentucky on April 30 of this year to discuss this particular matter? Can she tell us whether she is acting to inquire whether a similar situation exists in this province?

Hon. B. Stephenson: Mr. Speaker, I am aware that the conference was held about this specific concern. We have asked for a full report of the conference documents in order that we may look at them. The matter, of course, will be referred—or has been referred already I believe—to the advisory committee on occupational and environmental health.

DRIVING PRIVILEGES OF FEDERAL MINISTER

Mr. MacDonald: Mr. Speaker, I have a question of the Attorney General. In the absence of the Minister of Transportation and Communications, I'd like to ask the Attorney General, since his colleague stated yesterday: "Mr. Marchand certainly did not at that time and does not now hold an Ontario driver's licence;" how does he reconcile that with John King's front page story in the Globe and Mail this morning that Mr. Marchand was issued with a new Ontario driver's licence on March 15, after the suspension was lifted? If that is accurate, what is the explanation for Ontario issuing the licence when originally it was held in Quebec?

Hon. Mr. McMurtry: Mr. Speaker, I'm obviously not in a position to answer that question. My information is the same as was given to the Legislature yesterday, namely that Ontario has not issued a licence to Mr. Marchand. That information was given to me this morning and I have no other information at the present time. I'm sure if the Minister of Transportation and Communications is advised of developments other than the information he obviously has to date, he'll so inform the House.

BUTTONVILLE AIRPORT EXPANSION

Mr. Stong: Mr. Speaker, I have a question of the Premier. In the light of the town of Caledon-Orangeville airport decision, and in view of the fact that the town of Markham has referred the matter of the extension of the runways of the privately-owned Buttonville airport back to the Ontario Municipal Board, will the cabinet now reconsider its position, deliver the appropriate directives to the OMB and thereby abide by the wishes of the people of the town of Markham who do not want those runways extended?

Hon. Mr. Davis: Mr. Speaker, as I recall it we have indicated that this is not within the jurisdiction of the cabinet and this matter will have to be resolved in some other fashion. I would point out to the hon. member, without getting into the very hazardous position of expressing a point of view on what the law may or may not be, there is not necessarily a parallel between the decision with respect to the municipality of Caledon and the Orangeville airport and the situation in Markham as it relates to Buttonville.

Mr. Stong: Supplementary: Does that mean, then, that the Ontario government is going to assume jurisdiction in this area?

Hon. Mr. Davis: No, on the contrary, we're not.

AID TO THIRD WORLD

Mr. Samis: I have a question of the Premier. Some of my senior colleagues assure me that by personal nature the Premier is a compassionate and generous person.

Mr. Shore: How senior are they?

Mr. Samis: Can the Premier tell us why he felt compelled to play the role of Scrooge for the Ontario Council for International Cooperation in refusing to assist them in their efforts?

Hon. Mr. Davis: Mr. Speaker, the House leader will be tabling very shortly a report that was prepared by the former Deputy Minister of Agriculture and Food related to this matter. I have communicated with Bishop Ragg and I would be delighted to provide the members with a copy of that letter because I think a lot of them have received communication from their constituents. In my letter to Bishop Ragg, I've indicated this government's very sympathetic support to the activities of CIDA and the involvement of organizations on a voluntary basis with the developing nations, with the Third World or whatever terminology the hon. member might like to use.

I further pointed out to Bishop Ragg that this province has made and will continue to make either funding or supplies available in particular areas of concern. I further pointed out to Bishop Ragg that we had announced very recently that Ontario would continue to make a very significant contribution through its taxpayers to those foreign students who are here under the CIDA programme.

I further indicated in the letter—and I think the report contains this—that while we are

quite sympathetic the structure is such that it should be funded by the federal government of this country. While I personally am totally in support of what the voluntary organizations are doing, we feel that it is a better procedure to follow to have this funded basically through the voluntary organizations and through CIDA.

I further indicated to Bishop Ragg in this letter—and I'm quite prepared to make it available to the hon. members, plus the report—that we would support their discussions with the federal agencies and with the federal government. I also made a philosophical observation in the letter that may run contrary to the hon. member's point of view—and I speak as one who feels rather strongly about the involvement of the churches—that there is great merit in continuing the voluntary aspect of these programmes and that individual members of churches and other organizations should be encouraged. I think that is one way we can participate. I have a certain reluctance for the total programme becoming that of funding by whatever level of government.

While the hon. member may feel we are being less than generous, it is not a case of that; it's a question of the right mechanism, and the most equitable. As I indicated to the hon. members and made very clear in the letter to the bishop, in individual cases, as we have done over the years and will continue to do, this province will assist wherever it can. But we think in terms of principle and in terms of overall effectiveness, that really it should be done through the federal agencies which, incidentally, I understand have increased their funding in this current fiscal year.

Mr. Samis: Supplementary: After that very lengthy defence, is the final result that this government is committing absolutely nothing in regard to this particular request?

Hon. Mr. Davis: I have written to Bishop Ragg. I have pointed all of this out to him and indicated our support in terms of what they were doing in principle. But I did indicate to him that as a province we felt our programme should continue as it has with the individual situations, and that the funding and the programme to the extent that government is involved should be done by the federal government of this country.

Mr. Nixon: Supplementary: Since the Premier's refusal to match at least a part of the \$9 million raised by volunteer subscription seems to be on a basis of high principle on his part—that is, it's cleansing for the morality

of the community to raise the money without government involvement—why is it that he authorized the travel of the former Deputy Minister of Agriculture and Food all over the world to see if such a programme were necessary?

Hon. Mr. Davis: I want to make it very clear that I do support the voluntary aspect of what is happening. I also support enthusiastically this country's role in terms of government support for Third World countries. I also believe that is what a national government is for and it is what a national programme is for.

Mr. Nixon: The western provinces contributed.

Hon. Mr. Davis: Some other provinces have, and with strings attached. One of our sister provinces has become involved in the scheme on the very clear understanding that it could apply specifically to certain commodities that might be in a surplus situation in that province; as I say there are strings attached and I am not quarreling with that.

I asked Mr. Hilliard personally to undertake this because I am concerned about the general approach these organizations are taking. In terms of what they are doing, I very genuinely support it and I was most anxious that this government have available to it, in terms of reaching this decision, the best information that we could get, and I believe that we obtained it. I think Mr. Hilliard's involvement has been a very positive—

Mr. Nixon: But his response could not have anything to do with your decision.

Mr. Speaker: Order please.

Hon. Mr. Davis: If Mr. Hilliard had come in and, in his report, laid out a very real rationale for provinces getting into this on a comprehensive basis, the result might have been different. I can't say that, but I do have his report and the hon. member can read it.

Mr. Nixon: You are speaking for the United Church Observer right now.

Mr. Reid: Will you table that report?

Hon. Mr. Davis: It has been tabled.

PRIVATE POLICE

Mr. B. Newman: Mr. Speaker, I have a question of the Solicitor General. Is the Solicitor General concerned with the prolifera-

tion of special constables and industrial armies in the province?

Hon. Mr. MacBeth: We have our eye upon the situation.

Mr. Singer: Which one, the left or the right?

An hon. member: Both eyes.

Hon. Mr. MacBeth: I always look at everything with a singular eye, Mr. Speaker. No, there are no great problems at the present time. We have a few problems with them from place to place but they are no serious problem to us.

Mr. Nixon: Is that individually or collectively?

Mr. Reid: Long John Silver over there.

Mr. B. Newman: A supplementary: Is the minister going to draw up guidelines as to the responsibilities of these special constables? Is he going to encourage the various industries to set up some types of discipline as to the behaviour of the constables and provide for special training for them?

Hon. Mr. MacBeth: I don't think we will be doing anything about special training, but regarding the other I think the answer is yes. We will be reviewing our legislation, I would hope next session, sir, and from both a legislative point of view and regulation, the other will be taken into consideration. We will have something for the House. I don't think that will involve special training for them, but it will certainly set standards.

Mr. Speaker: The hon. acting Minister of Health has the answer to questions, I believe.

HOSPITAL CLOSINGS

Hon. B. Stephenson: Mr. Speaker, on May 17 the Leader of the Opposition asked if he could have the regression analysis for the various hospitals affected by bed closures or budget reductions; and also about the rationalization study of the closure of Goderich and Timmins psychiatric hospitals.

I would tell you, Mr. Speaker, that at a news conference on March 1 the Minister of Health (Mr. F. S. Miller) advised that the figures on individual hospitals' regression analysis would not be made public; however, should any hospital wish to appeal the bed closures or budget reductions applied to its institution, members of the staff of the Min-

istry of Health would be available to discuss with the hospital the figures used by the ministry.

In addition to that, I would refer the Leader of the Opposition to Hansard of Jan. 15, 1976, and again to Hansard of March 10, 1976, during which time the Minister of Health responded to him fully on this matter, first during a question period and secondly during the supplementary estimates of the Ministry of Health.

Mr. Lewis: Oh no—on a supplementary—I recall quite well our discussing the matter of rationalization studies; I still would like to know why we can't have them?

Hon. B. Stephenson: I believe that the minister believes he gave the full basis of the study for the psychiatric hospitals during these two discussions.

Mr. Speaker: The hon. member for Sudbury.

WATER POLLUTION

Mr. Germa: Mr. Speaker, a question of the Minister of the Environment, emanating from the status report, "Water Pollution in the Serpent River Basin, 1976." Given that the ministry has accepted the world standard of three picocuries of radium per litre of water, and given that the ministry has found levels of eight and nine picocuries per litre of radium 226 in Quirke and Whiskey Lakes, and a mean radium 226 level of 20 picocuries per litre in the inlet to Pecors Lake, and given that the report states, "relatively high activity recorded at Sheriff Creek upstream of Elliot Lake is of concern, particularly since Elliot Lake is the drinking water source for the town of Elliot Lake;" what programme of radium 226 control has the ministry implemented on the drainage from the tailings area of Stanrock and CanMet uranium mines and on the Sheriff Creek?

[10:45]

Hon. Mr. Kerr: Mr. Speaker, the problems in the Elliot Lake, Serpent River and Whiskey Lake area involve a great deal of documentation over a period of about 15 or 20 years and I would like, therefore, to have that question put on the order paper. We have the matter in hand, particularly as to drinking water supplies, but because of the detail of that question I would like to answer on the order paper.

CONTROLLED ACCESS HIGHWAYS

Mr. Eakins: To the Minister of Transportation and Communications, Mr. Speaker: Could the minister tell me what is the policy of his ministry in regard to controlled access highways? Does it vary from area to area or is it the same across the province?

Hon. Mr. Snow: Mr. Speaker, I think it would be quite difficult to answer quickly what the policy is on controlled access highways; I don't know what particular highway he is referring to. It is my understanding—and I would like to get the full information for the hon. member—that the policy would be the same all over the province for the same particular type of highway.

Mr. Eakins: A supplementary, Mr. Speaker: I wonder if the minister could supply me with information as to why so many people on Highway 35 at the Minden bypass in Haliburton county have been turned down for access to that highway when last August the Peterborough Lumber Co. received permission to gain access to the highway?

Mr. Mancini: That's terrible.

An hon. member: Some are more equal than others.

Hon. Mr. Snow: I am not familiar with that particular instance. I will get the hon. member the information.

Mr. Speaker: The same minister has an answer to a question asked previously.

DRIVING PRIVILEGES OF FEDERAL MINISTER

Hon. Mr. Snow: Thank you, Mr. Speaker. Yesterday the hon. member for York South asked me two supplementary questions. First: "Is it customary to appeal to the National Parole Board for a release from a court decision in a case like this [he was referring to Mr. Marchand's case.] If so, can the minister indicate when and if it has ever taken place before." His second question: "Can the minister report to the House on whether there are any precedents?"

It has been reported in the Globe and Mail this morning that in 1975 the National Parole Board received 654 applications for review and the board made favourable decisions in 262 of these cases. The members of the House will understand that these figures represent all of Canada. I would advise the members that last year, 1975, my ministry

received revocations or modifications of court orders from the National Parole Board which affected 136 Ontario drivers.

Mr. MacDonald: Supplementary to this and to the question I put to the Attorney General in the absence of the minister a few moments ago: Is it accurate or is it not that it was Ontario that issued the new licence to Mr. Marchand after the suspension was lifted, as is reported in the *Globe and Mail* this morning?

Hon. Mr. Snow: No, Mr. Speaker, to my knowledge that is not correct.

Mr. Lewis: That is just typical of the *Globe*.

Hon. Mr. Snow: The best information I have, from my officials and from the documentation I have seen, is that Mr. Marchand holds a Province of Quebec driver's licence.

Mr. Shore: There had better be a big retraction in the press.

Mr. Nixon: There will be a little box in the *Globe* tomorrow.

Hon. Mr. Snow: When the suspension was registered by the court, it is my understanding that because the order said that Mr. Marchand would be deprived of his driving privileges for one year, the information was recorded in the computer files of my ministry that this suspension order existed even though there was no actual Ontario licence to suspend. The same information, I understand, went to the registrar for the Province of Quebec. When the information, the Telex and the letter, arrived from the National Parole Board stating that the suspension had been lifted, that information was fed into the computer files, and it lifted the suspension order from our files.

My knowledge, and the best advice I can get from my staff, is that there was no Ontario driver's licence issued to Mr. Marchand, either before or after the suspension. I guess there is no reason, really, Mr. Speaker, after the suspension was lifted, if Mr. Marchand—his address is shown on the information from the Parole Board as an address in the city of Ottawa; I haven't got that with me now—but presumably if he had wanted to apply for a driver's licence after the suspension was lifted, and pass the normal test anyone else would pass, he could have been issued a licence after that suspension was lifted.

Mr. Speaker: The member for Beaches-Woodbine.

TRAVEL INDUSTRY LEGISLATION

Ms. Bryden: I have a question for the Minister of Consumer and Commercial Relations, still with regard to the Blue Vista situation, but an aspect that has not been covered this morning. Would the minister clarify his statement of yesterday about the kind of corrective action which he has in mind to overcome the two very serious problems that have arisen with regard to the present board; namely, its defiance of the government's guidelines on the interpretation of section 13, and the administration of the compensation fund; and the board's refusal to accord normal democratic procedures and rights to persons who are very seriously affected by their decision, particularly Judy Rea—

Interjections.

Mr. Reid: Come on, get to it.

Mr. Speaker: Order please

Ms. Bryden: —who is maybe liable for \$20,000 if she is not declared to be an employee, or an accredited agent; and she has been denied the right to appear or to be represented?

Mr. Speaker: I think the question has been asked now, thank you.

Hon. Mr. Handleman: First of all, we have not received any formal communication from the board as to the decisions which were taken last Friday. All I have is verbal information which indicates that they rejected four sample claims which were put before them.

The question of the Judy Rea case, as I have already explained, depends entirely on the question of fact. If she was an unregistered travel agent, then those people who dealt with her, after all the warnings that were issued last year not to deal with unregistered travel agents, have no protection from the fund. If she is an employee of Blue Vista, then they are fully covered, because Blue Vista was a registered tour operator in the Province of Ontario.

Ms. Bryden: Supplementary, Mr. Speaker.

Mr. Speaker: Order please; I was so engrossed I didn't notice that the oral question period has expired.

Petitions.

Mr. Reid: Must have been the last question.

Mr. Speaker: Presenting reports.

Mr. Lewis: If the Minister of Industry and Tourism (Mr. Bennett) had been here this morning, we could have livened up this question period.

AID TO THIRD WORLD REPORT

Hon. Mr. Welch: Mr. Speaker, I want to table a report of the Study Mission on Aid to Developing Countries," along with a copy of the letter signed by the Premier to the Rt. Rev. T. B. B. Ragg, Anglican Bishop of Huron, whose brief on behalf of the churches of Ontario prompted the government to commission a study on the subject

DRIVING PRIVILEGES OF FEDERAL MINISTER

Hon. Mr. Snow: Mr. Speaker, I know this is probably not in order, but I would just like to rise, if I could, on a point of clarification. It is my understanding that the Parole Board Act, and the Criminal Code, with the recent amendments that have taken place, no longer provide for an appeal to the Parole Board on the suspension of a licence. I forgot to add that, Mr. Speaker.

Mr. Speaker: Motions.

Hon. Mr. Welch moved that when the House rises today it will stand adjourned until Tuesday, May 25

Motion agreed to.

Mr. Speaker: Introduction of bills.
Orders of the day.

CITY OF WINDSOR ACT

Mr. B. Newman moved second reading of Bill Pr16, An Act respecting the City of Windsor.

Motion agreed to; second reading of the bill.

THIRD READING

The following bill was given third reading upon motion:

Bill Pr16, An Act respecting the City of Windsor.

TOWNSHIP OF WEST CARLETON ACT

Mr. Renwick, on behalf of Mr. Yakabuski, moved second reading of Bill Pr24, An Act respecting the Township of West Carleton.

Motion agreed to; second reading of the bill.

THIRD READING

The following bill was given third reading upon motion:

Bill Pr24, An Act respecting the Township of West Carleton.

TOWNSHIP OF BOSANQUET ACT

Mr. Renwick, on behalf of Mr. Eaton, moved second reading of Bill Pr25, An Act respecting the Township of Bosanquet.

Motion agreed to; second reading of the bill.

THIRD READING

The following bill was given third reading upon motion:

Bill Pr25, An Act respecting the Township of Bosanquet.

Clerk of the House: The first order, resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

BUDGET DEBATE (continued)

Mr. Samis: Thank you, Mr. Speaker. Now I know what the term loyal opposition really means on a Friday morning; co-operation plus.

J'aimerais d'abord vous féliciter pour votre nomination et votre travail dans cette Chambre et j'aimerais surtout féliciter vos deux collègues, le député de Simcoe Est et le député de Lake Nipigon. Le travail et l'habileté de votre circonscription de Simcoe Est est bien reconnu dans cette Chambre.

Mais j'aimerais rendre un hommage spécial au député de Nipigon pour son magnifique travail dans les sept derniers mois. Il a prouvé qu'il était capable de prendre ses responsabilités et d'effectuer un travail formidable pour toute l'Assemblée dans un esprit neuf.

Naturellement j'aimerais remercier les gens de la circonscription de Cornwall pour m'avoir réélu au Parlement et de continuer mon travail comme leur porte-parole à Queen's Park.

Aussi je voudrais rendre hommage à mon adversaire dans la dernière élection, le Père Rudolph Villeneuve parce que c'est un homme sincère, honnête et dévoué, et parce qu'il a contribué beaucoup à notre communauté. Il me fait plaisir de voir qu'il a continué son travail dans notre communauté, dans l'église et dans le domaine de l'éducation, pour faire de Cornwall une meilleure communauté pour ses citoyens. Vraiment c'est un homme de valeur!

Mr. Speaker, it gives me considerable pleasure to participate in this particular debate and like the members speaking prior to me, I would like to congratulate you upon your nomination and also pay considerable homage to your two assistants, the member for Simcoe East and the member for Lake Nipigon.

Mr. Peterson: It's not necessary to translate; we all understand.

Mr. Samis: Don't worry.

May I say that the ability of the member for Simcoe East (Mr. G. E. Smith) has always been highly regarded by this member and his capabilities have always been appreciated. I would like to make special mention, though, of my colleague the member for Lake Nipigon (Mr. Stokes), not merely because he is a colleague. I want to commend him for his fine work, his neutrality, his ability to control the situation. I think in one small way, he is a microcosm of what lies ahead. He proves that the official opposition can handle the responsibilities when given them. He has acquitted himself most admirably.

I would also, naturally, like to thank the people of Cornwall for giving me the opportunity to return here as their spokesman. Before getting into the debate itself, I would like to pay tribute to my Progressive Conservative opponent of the last election, Father Rudolph Villeneuve, a man who I consider has done much for our community; a man of integrity, valour and sincerity. I am very glad to see that political defeat has not caused him any great sense of bitterness or in any way lessened his sense of community spirit, co-operation or involvement. He is actively involved in the church in our area in educational pursuits, and I congratulate him for his dedication and service to our particular community.

[11:00]

Mr. Nixon: He stuck with the church, but did he stick with the party?

Mr. Samis: Not two, just one.

I'd like to point out that in our particular riding, the "big blue machine" was able to spend \$40,000 in an effort to reverse the results of the last by-election.

Mr. Peterson: Peanuts.

Mr. Samis: And when one considers that there's no television on which they can advertise directly in our area, I think that's almost the equivalent of the fantastic \$60,000 that they spent in Carleton East, where the \$60,000 man finished third. If we look at the two ridings in eastern Ontario that they lost prior to the general election, the "big blue machine" spent \$100,000 to try to bring them back. In both cases they failed.

I point out that in the case of Carleton East in 1974, they ran the mayor of Ottawa; this time they decided to rely on money. Neither one worked in eastern Ontario, neither a big name nor big money and the people of eastern Ontario made their views well known. What happened in the Cornwall and Carleton East by-elections was no fluke. Both results have been confirmed, although in Carleton East it's a different party, but it's still the opposition.

In the case of Cornwall, 62 per cent of the people voted against the government, whereas across the province it was 64 per cent of the people. It's very obvious that the people of eastern Ontario can no longer be taken for granted politically. It's no longer a private, blue preserve of the Conservative government.

In 1971, there was a grand total of two opposition members in eastern Ontario, both in the city of Ottawa. From Toronto to Quebec, all along the St. Lawrence and up the Ottawa Valley, it was solid blue. In 1975 that changed. There are now eight opposition members from eastern Ontario, and they're not confined to Ottawa. Whether it be Pembroke, Cornwall, Peterborough, Belleville or Ottawa, it's no longer dissatisfaction in one city; it's a general sense of dissatisfaction.

The opposition vote in our area has gone up considerably, whether it be NDP or Liberal, and I dare say next time around eastern Ontario will join the swing in the rest of the province. We want a change in eastern Ontario after 32 years. Sixty-four per cent of the people in this province voted for a change; obviously two out of three people want a change.

Mr. Reid: Only 28 per cent of them voted NDP, though, you will note.

Mr. Samis: That doesn't matter. Who is the official opposition?

Mr. Reid: Your share of the popular vote went up about one per cent. Hansard will tell you.

Mr. Samis: Mr. Speaker, I sometimes think it would be not only a good thing for this province to have a change; I think it would be good for democracy. After 33 years of the same party in power, the same political machine, I would suggest it might even be a good thing for the Conservative Party to spend some time in opposition. The humility, the extra work, the reinvigoration process and the democratization of their basic structure would be the best thing that could happen to them. Just as the opposition learned a lot in Ottawa when the federal Liberals had to spend a little time in opposition and just as our particular party spent eight years in opposition in Saskatchewan, the best thing that could happen for the Conservative Party in Ontario is to spend some time in the opposition, and I suspect that's coming pretty soon.

I know this government's done a lot to avoid that eventuality. I recall the budget of 1975, which I regarded as an almost exclusively political document rather than economic. I recall well the home buyers' grants, and all the attendant publicity there, at a cost of \$90 million to the taxpayers. I recall the automobile rebates, the giveaway programme there, at a cost of \$45 million to the taxpayers. I remember the very temporary, transitory, expedient sales tax reduction at a cost of \$330 million. I recall very vividly the corporate tax deals that cost the taxpayers \$150 million.

All told, if we look at those budgetary measures, which I think were designed more for political survival and to win the election, rather than to help the people of this province, the taxpayers of this province had to pay \$615 million for the Tory economic and political shenanigans of that election year. That wasn't all.

I recall very vividly, during my short term in the last session, almost every day last spring different cabinet ministers were getting up and offering goodies all across this province. Sometimes there were two or three a day. Sometimes they were stumbling over each other to see who would get in their announcements first. But it didn't work. They're almost spending money as if it was going out of style or somebody had found the key to the Bank of Canada. But I would point out again that it didn't work.

Mr. Reid: There could be only one group worse than them, and that's the NDP.

Mr. Samis: I also recall vividly another tactic that was used, the anti-Ottawa campaign: Get the feds; hit Trudeau on anything. Almost every day, if they weren't announcing goodies, each minister was stumbling over the other as to who would get in his licks at Trudeau or at Macdonald or at Turner, or one of the others. It was unbelievable how they would look for any excuse whatsoever just to attack the federal government and make them the boggy men. It didn't work, Mr. Speaker.

Another tactic they tried was: "If we can't make the feds the bad guys or the fall guys, if the goodies won't work, let's try and create or manufacture an issue." So I am sure their private polls told them that people were concerned about the rise of violence in society. So we had a great crusade about violence on television, over which this government has no jurisdiction—and they full well know it. What did they do, in tried and true federal Liberal fashion? They set up a royal commission—the Punch and Judy show—which travelled around the province and now, I understand, is travelling to Europe to study violence in Canada.

Mr. Nixon: Going over their budget a bit too.

Mr. Samis: Right. They are spending the taxpayers' money recklessly. Again a pure waste of money purely for election purposes. They have nothing to do with solving the problems of our day. And they still managed to lose 23 seats; that's not counting the four seats that have been lost since the previous election by by-elections.

I think the people of Ontario can see through what this government is up to; whether it's boggy men, buying votes or gimmicks. The 1975 budget didn't fool anybody and the results proved that.

Some of the features of that budget were rather interesting though, Mr. Speaker. First of all, the massive deficit. Now, I know this party has always been accused of not being uncomfortable with deficit financing; and that's probably true. But for the Tories—for example, my friend, the member for Prince Edward-Lennox (Mr. Taylor)—to be going out on the hustings defending a deficit of \$2 billion, is rank and gross heresy for any good Tory in eastern Ontario, especially in view of some of the speeches he made last year. This is alien to Toryism and Conservatism of the first form.

Mr. Ruston: Biggest waste of money there ever was.

Mr. Samis: And then I recall vividly how the former Treasurer, John White, totally avoided the use of the word deficit in this House. It was just amazing. It was cash flow, cash balance, in and out—

Hon. Mr. Taylor: Good, sound, stable government; and you know it.

Mr. Samis: —but look at the size of the deficit they have created.

Interjection.

Mr. Speaker: Order, please.

Mr. Samis: This is a Tory government, Mr. Speaker.

Hon. Mr. Taylor: If your party was in power the deficit would be horrendous.

Mr. Speaker: Order, please. The hon. member for Cornwall has the floor.

Mr. Reid: The question is why he has.

Mr. Samis: It was a Tory government that created this huge deficit.

Hon. Mr. Taylor: Why are you pushing for more spending then?

Mr. Samis: Now, I know we are constantly accused of being a party that believes in high deficits. It is rather interesting to contrast the record of this government—

Interjection.

Mr. Samis: —with the two provinces where there are NDP governments.

Mr. Ruston: How about Barrett?

Mr. Samis: Ontario's deficit this year is \$1.2 billion.

Mr. Reid: How about British Columbia, where it will take them years to come out of that one?

Mr. Samis: Let's look at the two governments, Mr. Speaker.

Mr. Reid: It will take them years to get out from under those deficits.

Mr. Samis: Let's take Saskatchewan, where this year they have budgeted a surplus; an NDP government with a surplus. Let's look at the Province of Manitoba, which has no oil, no great natural resources, a deficit of only \$12 million. Contrast and compare that with the \$1.2 billion deficit of the Tories here, and I would ask you, Mr. Speaker, who is really fiscally responsible and who isn't?

Mr. Reid: Come on, there are only a million people in Manitoba, and they are leaving rapidly because of the NDP government there.

Mr. Samis: Who has the massive debt? Who has the massive borrowing? The amazing thing, Mr. Speaker, Saskatchewan and Manitoba have never claimed, and probably never will, the title of being the richest, wealthiest provinces in Canada. Yet, somehow, even with their lower standard of living, and their budgetary surplus or slight deficit, they can afford a dental care plan. But this province, as wealthy as it is, cannot afford such a plan. It is amazing how we treat our people in this province.

Mr. Germa: Mismanagement.

Mr. Samis: Mismanagement and other things.

Another feature of that last budget, Mr. Speaker, was the favouritism within it. We saw very vividly where the concessions were given in terms of dollars and cents, beyond the mere electoral bribes; \$410 million as a tax holiday for the big corporations.

I recall very vividly the question period and the big debate on that particular measure when the Treasurer (Mr. McKeough) was asked if he could prove—amazingly, it was done just at the time of the 1971 election; they sure know how to hand out the gifts when the election comes along—could he prove that when this was done before it actually had created jobs. Could he cite figures? Could he share that information with the House?

We got no as an answer on both of those questions. No, he didn't have any concrete proof. No, he couldn't give us any statistics on how many jobs it had created.

In effect it amounts to a tax giveaway to the big corporations. And the most surprising thing of it all is some of the largest beneficiaries of that tax concession aren't even Canadians. The benefits will go to Akron, Ohio, Washington, DC, New York City, Detroit and Chicago.

Mr. Reid: Just where all the international union funds go; same places.

Mr. Samis: Makes you wonder sometimes. I thought the member for Rainy River (Mr. Reid) was Liberal-Labour; sometime I'd like to hear some labour in his liberalism.

It's the average man and woman who pay for those giveaways in the budget. The big corporations at election time get all the benefits and naturally supply the funds for the "big blue machine." In recent disclosures

from the Commission on Election Contributions and Finances, we saw who some of those big \$25,000 contributors were.

In 1976 they've decided to change strategy. The violence, the bogey men, the giveaways, and the big budget obviously didn't work. They had to try different strategies. And 1976 will go down as the year that the Conservatives discovered inflation, and what a saviour it has been.

It's kind of amazing how the Premier (Mr. Davis) and every cabinet minister, who only six months ago had condemned Ottawa, in the most fearless of terms at times, have suddenly embraced Ottawa. This isn't just a flirtation, it's not just a mere romance, it's not some neutral, passionless legal arrangement; it is virtual total rapture. It's a total move, I would suggest, in a way that would, with its suddenness, intensity and fervour, sometimes make Masters and Johnson blush, given the way this government has suddenly embraced the federal government and hidden behind its skirts.

Why the change? I'm sure nobody would accuse the Premier of being a devout follower, convert or disciple of John Kenneth Galbraith. He himself has never even mentioned the name once in defending his government's policy. It's obvious he has latched onto the anti-inflation campaign to try to get himself out of the political dilemma that the voters and he himself have created.

Naturally, there are some very obvious values to it in terms of public service employees, teachers and public service groups and this does get him off the hook beautifully. Naturally, it's a smart political move for him. He's trying to regain many of those Conservative votes that went to the Liberal Party, especially in southwest Ontario. He's trying to recast a small "c" conservative image for himself. Obviously, he's going to try to tie in the anti inflation campaign with that small "c" conservatism.

The publication of the Henderson report and its surrounding philosophy is one that obviously he's trying to translate as part of the overall restraint programme. It's a conversion the sincerity of which makes you wonder. Sometimes I think it's almost akin to someone like Dave Schultz giving an after-dinner speech on the virtues of Lady Byng, or Pierre Trudeau trying to tell us the value and virtues of wage and price controls after the 1974 election.

I noticed an interesting column by a journalist whom I respect considerably, Harold Greer, in the Montreal Star. He had some interesting comments about saving money.

He said you can either cut decisively or showboat without really cutting.

Such a government really has only two options open to it. It can slash mindlessly about in all directions on the principle of the least government the better, as is proposed by the special review committee of last November, a committee of friendly civil servants; or it can put on a great showboating exercise of saving money, hoping the good voters will be mesmerized into thinking a penny is a pound. Not surprisingly, the Davis government has decided to showboat, and a marvellous show it has been, ever since Darcy McKeough rose in the Legislature on Dec. 11. [He takes one example.]

Health expenditures, for example, are out of sight; not because there may be some small, unneeded hospitals about, but because the government from the start of Medicare has surrendered almost total control and direction of the health delivery system to the medical profession. As long as the sacred cow policy continues there will be no substantial cutbacks in the health budget.

He goes on in that article to point out that the government is more interested in the cosmetic effects, the window-dressing and the political game involved, not in actually cutting expenditures as they are trying to tell the province. I really don't think the people trust this government anymore. They've seen enough flip-flops. They saw a year ago a government which brought in an all-time record deficit in an attempt to win votes and then 12 months later is trying to propagandize and convert people to the virtues of restraint and cutbacks. I think the Conservative member for St. Andrew-St. Patrick (Mr. Grossman) said it well—a good authority in this House, obviously—that this government says it learned the lesson of the last election but really it hasn't. That comes from a good, loyal Conservative member, no from a member of the opposition.

[11:15]

I look at the 1976 budget, and I don't want to be totally partisan, because I think there were some positive things in it and I will give the government credit for that. First of all, I would congratulate the government for reducing the tax on small business from 12 to nine per cent. Naturally that's peanuts compared to the tax concession the Tories have given the resource industries and some of the heavily mechanized industries in our society but I give them credit. It's a step in the right direction and I am pleased to support that.

The second measure I am prepared to congratulate them on is the reduction in the civil service, something that's long due. The Tories always accuse this particular party of being the friends and creators of red tape and bureaucracy. They have created the greatest empire of red tape and bureaucracy in the history of Canada.

The Tories from Prince Edward-Lennox are the builders of bureaucracy in this province and they know it. That's what their Liberal opponents told them and they knew that. It was true. It makes the NDP look like pikers by comparison when we look at the size of this bureaucracy, but the fact is they are putting a limit on it and they are trying to control it; I congratulate them. In contrast to the federal government, it's certainly an improvement. I give them credit for that.

The only thing I would like to know—and they keep hiding the information—is how many contract employees there are. How many people in this province are operating on a contract basis? It would be a very clever way of disguising the figures to give a very cosmetic appealing look to the so-called austerity drive.

Hon. Mr. Taylor: Do you want more civil servants?

Mr. Samis: The other measure I approve of in the budget and am pleased to support is the increase in fees for uninsured drivers. I think that's a step in the right direction. I sometimes wonder why these people should be allowed on the streets, roads and highways of Ontario if they can't afford automobile insurance.

These three measures, I think, deserve support but I would like to point out some other areas of the budget which I feel are sadly lacking and not deserving of support.

I come from an area which has had to deal with continuing problems of unemployment, low growth and sometimes outright economic depression. The 1976 budget was a major disappointment to eastern Ontario and to my area in particular. We see over 260,000 people in this province unemployed and if we translate that into family terms and human terms, we are talking of between 800,000 and a million people suffering from unemployment. If we read the increase in the federal statistics and the equivalent provincial statistics on unemployment for the month of April, this is something which is not going to go away. The Treasurer just can't put this one under the rug and hope for the best.

In Cornwall, for example, I noticed a variety of figures were used and I sometimes wonder about their validity. The budget says for example, that in March, 1975, there were 8,889 people on unemployment. Really what that says is that there was that number of people receiving unemployment. The actual figure for people registered was 10,118. I readily admit that everyone who is registered need not be collecting but of the government's 8,889 figure and the 10,118 figure, I would suggest the latter is a more realistic indication of how many people were on unemployment.

In June, 1975, the real figure was 7,518 as opposed to the government figure of 6,400. In September, it was 6,640 as opposed to the government figure of 5,400; and in December, 7,214 versus the government figure of 5,887.

In January, February and March, things didn't get much better. The figures in my particular area for January were 8,106; February 8,504; and March 8,200. In terms of percentages in my particular area we are talking of 12, 14 and 15 per cent based on the particular month. That is above the average; above the national average. It is more than twice the provincial average.

We in eastern Ontario in particular want this government to try to do more about unemployment and not follow any idea that it's up to the private sector. I noticed an article in the Kingston Whig Standard on Jan. 6, 1976, and the headline read "Unemployment Insurance was the Fourth Largest Industry in Kingston." Normally in eastern Ontario, Kingston is regarded as much more stable economically than many other communities.

Only three other industries in Cornwall had more people on their rolls than the UIC—Queen's University, the Canadian Forces Base and Dupont. To give you some indication of the unemployment problem, there were more people receiving UIC than are employed by Alcan or the Kingston General Hospital or the Frontenac Board of Education or Millhaven Fibre or the city of Kingston with its civic employees. That's not to knock Kingston; it is just to show that unemployment is not restricted to Cornwall or to Pembroke. It is a general problem across eastern Ontario and it is something which requires far more government involvement and far more government action.

The Treasurer of Ontario says "My colleagues and I believe that the thrust of provincial policy should rely on private sector

expansion to generate growth in unemployment." We can't accept that because we have seen that philosophy before and we have seen the results. I am sure my good friend from Prince Edward-Lennox knows the results of that particular philosophy in eastern Ontario in terms of unemployment.

Hon. Mr. Taylor: Sure, you don't want private enterprise. You have said you want to nationalize.

Mr. Samis: That's a lot of baloney and you know it.

Interjections.

Mr. Speaker: Order, please.

Mr. Samis: If we had to follow the philosophy articulated by the Treasurer or the philosophy I heard expressed last year by the member for Prince Edward-Lennox—

Mr. Hodgson: Same as they did in BC.

Mr. Samis: —our entire region in eastern Ontario could be a depressed area. We need government involvement to combat regional disparities. If we follow a laissez-faire policy or anything approaching it, the regional disparities will only be aggravated.

We need government involvement to decentralize the economic growth of this province. If eastern Ontario is ever going to get its fair share, one of the first conditions has to be a programme of decentralized development not the continuing Toronto-centred development we see. We need government involvement to get industries in places like—

Hon. Mr. Irvine: You already have it.

Mr. Samis: —Cornwall, Pembroke, Belleville, Brockville. Since we have to compete with Quebec—I know my friend the member for Carleton-Grenville (Mr. Irvine) knows well the problems we have with Quebec in terms of competition—we need special consideration. In our particular part of the province we are no longer designated as a DREE area although it still applies in the Ottawa Valley.

What is the provincial government doing to meet these special problems? At least the feds have special programmes. We may debate the merits of them but at least they have them for slow growth areas. We need government involvement to assist our textile industry and to help us reopen idle plants. It is obviously a depressing sight in eastern Ontario when you see plants which have been built within the last 10 years lying idle with

big signs up, "For Sale", "For Rent". We can't use them. We have the men willing to work; we have the people willing to use their skills but we have nobody willing to locate in eastern Ontario. Where are the retraining programmes for our people who are laid off, whether it be from Sylvania or whether it be in Pembroke. Where are the alternative jobs for these people?

We had an interesting example in my particular riding of what the restraint policy meant. One of the main tourist attractions in our area in addition to Upper Canada Village is the Robert H. Saunders' power dam. When the Tories decided to have restraints they said "We will eliminate all tours at the dam to save money." They didn't give any consideration to the effect this would have on the tourist industry and what we would say to people coming into the area. Government brochures for 1976 had advertised free tours available at the power dam—what would we say to these people?

It took a combined effort by the mayor, the chamber of commerce and me to convince the minister and Ontario Hydro to rescind that policy. It is just a good example of how the bureaucrats dictate a policy and then the people in small communities have to suffer and live with it and maybe dissuade the bureaucrats from that particular policy. I am sure the same thing has happened in Pembroke, Belleville, Kingston, Hawkesbury and other parts of eastern Ontario.

Hon. Mr. Taylor: Then why do you preach bigger government?

Mr. Samis: You are the ones who created bigger government. You stand condemned for that.

Hon. Mr. Taylor: You are preaching more government, more bureaucracy.

Mr. Speaker: Order please.

Mr. Samis: Unemployment hovers at around 12 per cent. When you have a figure of 12 per cent and your national average is in the six to seven per cent range, you can't tolerate that any more because of the loss among the young people, the loss in skills and the way it affects the whole fibre of our community. It makes me wonder how they can get complacent in this province about a six per cent unemployment rate. I look at Britain, for example, and the government over there, be it Tory or Labour, considers it almost an emergency if it goes beyond three per cent. I am amazed that in Sweden they have never had unemployment beyond three

per cent since 1945. We have never been close to three per cent.

Hon. B. Stephenson: That's not true.

Mr. Samis: In Germany, for example, not only do they not have to worry about an unemployment figure of 12, six or three per cent, they have to go out and import workers from Portugal, Turkey, Spain and Italy to fill the jobs.

Mr. Ruston: So do we.

Mr. Samis: They can create the jobs there in a sense of partnership between labour and capital where the unions and management sit down and work out things together instead of the confrontation we see across this land and in this province.

The government has a responsibility to meet this unemployment problem, especially in eastern Ontario. We just can't afford to leave it exclusively or primarily to the private sector to solve. There are all sorts of areas where something could be done. The most obvious one is housing, where there's a need. Housing is a prime job creator. Everybody would admit this is an area where the government can take a very active and vital role. Yet what do we see in the budget—less money allotted for the Housing Ministry.

In tourism in eastern Ontario, for example, there's a crying need for a summer theatre to attract more people to Upper Canada Village and the whole Seaway valley. Things could be done to clean up the St. Lawrence River to make it more attractive for fishermen and for tourists. I recall the Minister of Industry and Tourism (Mr. Bennett) making promises that there would be some great new resort, a government resort in eastern Ontario, something on the scale of Ontario Place somewhere in the general area of Belleville. We've seen nothing, and we've heard nothing about it. The election's over and I would suggest that promise has been filed away along with hundreds of others.

We've seen an idea, such as an industrial park in Spencerville which was supposed to be the government's great sop to us in the last election; despite the fact that the present Minister of Industry and Tourism told the entire eastern Ontario area and reassured people that the government would never do such a thing. He was completely opposed to it and he couldn't see any sense to it. Now we have the industrial park lying there. What's going to be done with it? Who knows?

We have our dairy farmers in a difficult situation. Many of those expanded their facili-

ties, invested money and borrowed to try to increase their quota because of some of the federal dairy policies. Now these people have overexpanded and are out on a limb and some of them; especially the new and the young ones, are in considerable difficulties.

In the particular case of the textile industry, whether it be in Cornwall or Millhaven, there's a very particular problem with foreign competition. I will give the Minister of Industry and Tourism credit. He did take a strong stand against the federal policy and we, in this particular party, wholeheartedly endorsed the position he adopted and would really request the federal government to get off their butts and do something. We are aware of the GATT arrangements and we realize the implications, but we just can't see this industry go down and let these people suffer the way they are.

Our people in eastern Ontario don't want to collect welfare, don't want to live on pogeys and don't want to sit around. They want to work. They want to live decent, honourable, respectable lives. All we ask is that the government help them achieve that particular role in society because that's the only outlet really that will help them.

I'm especially concerned with the effect of all these restraints on employment. A number of young people in the nursing field will be coming onto this market. We'll have another 4,000 people coming on stream this month and next month and a maximum apparently of 200 jobs available. I noticed the government member for Mississauga North (Mr. Jones) estimated we could have 90,000 young people unemployed this summer. If we look at our basic core of unemployment, or regional and seasonal unemployment and the nurses, plus the students, this summer doesn't look very good. And the budget doesn't give them much hope.

It especially bothers me in a community like my own with the young people who are so used to unemployment and wonder if there is any sense, any value or any purpose to staying where they are. Why not move to Ottawa? Why not move to Toronto? Why not move to Montreal? In effect, we lose some of our best people and some of our most educated young people. Some of the most resourceful, dynamic people leave eastern Ontario, because there isn't enough there for them in terms of employment, lifestyle and other attractions, and obviously this just aggravates the problem. It makes it worse; it makes it linger and it makes it that much more difficult to solve.

We can't ignore eastern Ontario. We have to help the people who want to be helped. We're not asking for handouts, welfare or gifts. We're just asking for our basic fair share. That's all we want. We think Toronto's got more than its share. We know the north has been shafted for a long time. We just want our fair share.

[11:30]

In the budget, there are certain things that do concern me. One, obviously, is the whole concept of inequities that's inherent in that budget. If I look at the OHIP increases, for example, there's no question that OHIP premiums are not just a premium, they represent a tax upon the people. If we know that more than 80 per cent of the cost now of our medical services is paid out of general tax revenue, the OHIP premium and its increase represent a tax increase. I notice that the Toronto Globe and Mail, no friend of this particular party, has openly said in editorial form, that the increase in OHIP is tantamount to an increase in taxes.

It bothers me that in effect, our taxes in Ontario are being increased when six provinces in this country have no premiums whatsoever. The whole cost of medical care is financed out of general revenue—

Hon. B. Stephenson: Because Ontario funding finances it.

Mr. Samis: —whereas we in Ontario finance it and have the people of this province paying two ways for it.

Compare the rates across the country: Ontario for a family with two children, \$384; in Alberta, \$138; British Columbia, \$225; and Quebec, approximately \$225, even with the recent increase. Why is Ontario the most expensive in the land? We are paying 45 per cent more; we are going to have fewer hospitals, fewer nurses, fewer beds and fewer services.

I notice the Globe and Mail had an interesting study. If a person earns \$8,200, look how he is treated in this province. If you combine his federal tax, his provincial tax, his health care premiums, his property tax, and include his rebates and Ontario tax credits, a man earning \$8,200, with a family, is now paying \$1,078.

Quebec used to be known as the highest taxed province in the land. We have now surpassed that. In Quebec the same man would be paying \$1,056; in New Brunswick, \$958; in Nova Scotia, \$948; in British Columbia, \$939; in Prince Edward Island, \$936; in Alberta, \$785; in Saskatchewan, \$754; in

Newfoundland, \$720; and in Manitoba, \$682. This is the province of opportunity? I wonder.

We ask the workers to keep their wage increases and their demands to less than 10 per cent—

Mr. Nixon: Eight per cent.

Mr. Samis: In many cases it ends up to be eight per cent. Yet look what we are doing to them. We are increasing their OHIP rates by 45 per cent; we are increasing gasoline prices by five cents to eight cents a gallon. We have already increased their Hydro rates by 22 per cent. In many communities transit fares have gone up by 15 per cent to 40 per cent. We have allowed insurance rates to increase by 15 per cent to 40 per cent, and yet we see all-time interest rates and mortgage rates being charged to people. It really makes you wonder, Mr. Speaker. Wages are being frozen, where is the justice? Where are the controls on these other vital ingredients in our economy?

If you are concerned with the whole concept of tax equality, one thing that disturbs me in this particular budget is the increasing reliance being placed on the sales tax. If you look at the budgetary charts, and the share of the overall budget that is now being garnered from the retail sales tax, in 1968-1969 the province only relied on the sales tax for 14.2 per cent of its revenue; the corporation tax generated 9.5 per cent back then; personal income tax, 17.7 per cent. If you look at the figures for last year, the retail sales tax accounted for 14.7 per cent; the corporation tax for 13 per cent. This year the projection is 17.7 per cent of our revenues will be financed out of the retail sales tax; the corporation tax, 10.4 per cent. If you look at—

Hon. Mr. Taylor: Take into consideration your tax rebates.

Mr. Samis: Oh yes, oh yes.

Hon. Mr. Taylor: I'll bet you didn't do that.

Mr. Samis: Don't worry, don't worry. Not everybody qualifies. Not everybody gets it, and you know that.

So if you look at the increased emphasis on the sales tax, which is the most inequitable, regressive form of taxation—and you know that, Mr. Speaker—if you look at the \$410 million corporate tax holiday; if you look at the rate corporations pay in this province; if you look at the fact that the corporate share of the tax burden has de-

clined from the previous year, while the sales tax has gone up, the personal income tax share has gone up, health premiums have gone up, where is the equity in the budget? Those who produce the greatest source of revenue are paying less of the overall burden. The working man, the average person, the small businessman, through their income tax are paying more.

I was rather interested in some of the figures in Manitoba and Saskatchewan, Mr. Speaker, because it is always alleged that supposedly the NDP tax people out of existence.

Let's take people earning from \$8,000 to \$15,000, which is the bulk of the people in our society, and their provincial taxes. In Ontario, you would be paying \$328 in taxes; in Saskatchewan, you would be paying \$96 in taxes. If you made \$9,000 in Ontario you would be paying \$409; in Saskatchewan, \$177. If you made \$10,000, it is \$493 in Ontario, \$261 in Saskatchewan. In Ontario, at \$11,000, you would pay \$577; in Saskatchewan, \$349. If you made \$12,000 in Ontario, you would be paying \$665; in Saskatchewan, \$433. If you made \$15,000 in Ontario, you would pay \$941; in Saskatchewan, \$716.

It's kind of interesting, Mr. Speaker, to look at those who make \$50,000 or more. This is where the real change shows. In Ontario, you would pay \$4,700 in tax; in Saskatchewan, \$6,000. If you made \$100,000 in this province, you would only pay \$11,400 in tax; in Saskatchewan, \$15,600. With the NDP government of Saskatchewan, the man who makes from \$8,000 to \$15,000 pays less than what he would pay in Ontario; and in Saskatchewan the rich, those who can pay, do pay more.

If you look at the overall tax rate—Ontario sales tax, seven per cent; Saskatchewan, five per cent. The income tax rate in Ontario is lower, 30.5 per cent versus 40 per cent. Health premiums in Ontario are \$384 for a family; Saskatchewan, nil. Corporation tax, nine to 12 per cent in Ontario; 12 per cent in Saskatchewan.

The gas tax is 19 cents a gallon in Ontario; 15 cents a gallon in Saskatchewan. The diesel tax is 25 cents a gallon in Ontario; 21 cents a gallon in Saskatchewan. The cigarette tax is 17¾ cents in Ontario for a pack of 25; 15 cents in Saskatchewan.

Interestingly enough, of those provinces with provincial debts to cover, Saskatchewan has the lowest per capita provincial debt in Canada. Now if they want to talk about oil,

that's a very new feature, because Saskatchewan has been a have-not province.

Let's move east to Manitoba and see if Saskatchewan is all that different. Let's take our friend again, who makes from \$8,000 to \$15,000. Let's compare how he is treated in Manitoba as to how he is treated in Ontario. If he makes \$8,000 in the Province of Ontario, he would pay \$328 in tax; in Manitoba he would receive a tax credit of \$221, for a total difference of \$549 between Manitoba and Ontario. For the man earning \$9,000, the difference is \$524. For the man earning \$10,000, the difference is \$499. For the man earning \$11,000, the difference is \$474; and at the \$12,000 mark, the difference is \$448.

Once again, it is very clear that the average person gets a better deal with this tax system than they do in the Province of Ontario.

If we take our friends at the upper level of \$50,000, obviously the breaks work out to the benefit of the rich in Ontario. If he made \$50,000 in Ontario, he would be paying \$1,924 less in tax. If he made \$100,000, he would be paying \$6,418 less in tax. Again, the working man, the average man, gets hit. The man at the top gets all the breaks.

If we compare the overall tax structure, sales tax in Ontario is seven per cent; in Manitoba, five per cent. Income tax is 30.5 per cent; Manitoba, 42 per cent. But I would point out that even with 42 per cent, it means less taxes for the average man.

Health premiums, \$384 in Ontario; nil in Manitoba. Corporation tax, nine to 12 per cent in Ontario; 13 to 15 per cent in Manitoba. Gas tax, 19 cents a gallon in Ontario; 18 cents a gallon in Manitoba. Diesel tax 25 cents a gallon in Ontario; 21 cents a gallon in Manitoba. Cigarette tax, 17.75 cents in Ontario; 20 cents in the province of Manitoba.

So, Mr. Speaker, I think that speaks pretty clearly for itself. Where our particular party has been in power the greatest benefits accrue to the average person and the burdens are placed upon those who can afford them unlike this province, where the greatest beneficiaries are those at the top; and those who have to pay the greatest share of it are the average people.

I think the working people realize this. There are too many corporate ripoffs. If we talk about welfare and the problems of welfare, one of the greatest areas of welfare and one of the greatest ripoffs is not among the people who supposedly collect welfare and go down and buy beer and watch television. It's at the very top, with the wealthy, the powerful and the privileged.

One thing that distresses me in this whole situation, Mr. Speaker, is the way our working poor are being treated; not the people on welfare, but the individuals who are working but poor.

Who do I refer to? I refer specifically to people who have no union to protect them. They may work in small factories; they may work in stores, restaurants, cafeterias, hotels, bars, movie theatres, cleaning firms, leather factories or some small textile factories. These people have no form of protection and I look at how this particular province treats them.

These aren't welfare bums. These aren't people looking for a ripoff. These are people willing to work. These are the people who need protection from exploitation. Many of them are new Canadians and aren't familiar with the labour laws and their basic rights in our society. I look at our minimum wage policy in this province and I think how we've treated our people is a complete and utter disgrace.

It's amazing that last December, at Christmas time, the Province of Quebec, which has a much lower standard of living and which has traditionally been regarded as a low wage area compared to this province, was paying its minimum wage workers 16 per cent more than the Province of Ontario. If we look at the figures as of June 1 this year the Province of BC, even with a Social Credit government, with its philosophy of laissez-faire free enterprise, will be paying its workers at the minimum wage level approximately 15 per cent more than the Province of Ontario.

Saskatchewan, never regarded as a high wage area, will be paying its people 16 per cent more at the minimum wage level. Alberta, a Tory government, not particularly famous for its sympathy towards labour, will be paying its minimum wage workers four per cent more than the Province of Ontario.

One that really fascinates me is that at the beginning of this year the Province of Newfoundland, the poorest province in this country, had a minimum wage level higher than that of the Province of Ontario, the so-called wealthiest province in this dominion.

Mr. Germa: Repeat that for the Minister of Labour (B. Stephenson).

Mr. Samis: The Province of Newfoundland had a higher minimum wage than the Province of Ontario on Jan. 1 this year. If that doesn't speak to the shame and disgrace of our minimum wage policy in this province, I don't know what does.

The government may argue that the wage did go up in March. Things have changed. Ontario now pays \$2.65. We're moving ahead. The question is let's compare Ontario's record again with the other provinces. Did members know that in BC, they will be paying 35 cents an hour more as of June? In Alberta, 15 cents an hour more. The Province of Quebec, 25 cents an hour more than Ontario. Saskatchewan, 15 cents an hour more than Ontario. The federal government is paying 25 cents an hour more than Ontario.

We used to be No. 1. Now we're satisfied with being No. 6 and these are obviously the people who are least able to protect themselves. We tell them, "That's what you're going to accept, like it or not. Your gas goes up; your OHIP goes up; your hydro goes up; but you should be satisfied with \$2.65. Look at what we're doing for you. Aren't we ahead of the Americans? Aren't we ahead of some other provinces?" That's not good enough when we were No. 6.

Mr. Germa: It's better than Bangladesh; the minister is satisfied.

Mr. Samis: This province used to be a leader—

Hon. B. Stephenson: Try New York State and Ohio.

Mr. Samis: Here we go, the reference to Ohio. It's amazing how we used to be ahead of the other provinces. Now when we fall behind, we start comparing ourselves with certain American states. We never competed with them before. We never had to worry about them before. All of a sudden, now we do.

Hon. B. Stephenson: If we had an increase in productivity, we might be able to increase the minimum wage.

Mr. Samis: That's not the question we're talking about and the minister knows it.

Hon. B. Stephenson: Oh, no.

Mr. Samis: If the Province of Quebec can raise its rate higher than Ontario's when it has productivity problems, greater labour stoppages, and greater walkouts and more time lost—

Mr. Lupusella: That's why we have so many injured workers in this province.

Mr. Samis: —that's no excuse to hide behind. Ontario is falling behind.

I can understand the Minister of Industry and Tourism (Mr. Bennett). He's not regarded as a friend of labour and he likes the idea that the people in the tourist industry should work for even less than the minimum wage. Somehow he was able to convince the Minister of Labour not to pay those people in bars, for example, \$2.65 an hour. I quote from a press release from the minister on March 29, "It's a concept I've been working for, with the support of tourism and the hospitality industry since becoming Minister of Industry and Tourism in 1973."

He's honest about it. He doesn't want the minimum wage for these people at the same level. But for any minister in this province to accede to that situation in which people in that industry are paid even less than the minimum wage, is a shame and a disgrace.

[11:45]

I noticed that the study of Mr. Kola Adeniji for the Ontario Federation of Labour proved that the minimum wage for many people in this province is their basic and only protection. It's the bell-wether for the industry and in many, many cases the employers' claims that they can't afford it, they would have to close, they would have to lay off people, have been proven wrong. These people have a right to live in dignity. We are not going to consign them to poverty. We want them to participate in our society and share in the material benefits and social progress of our particular society. This is something that really disturbs me.

Another thing that disturbs me for the average working man again are those OHIP increases, because it is a tax. If we look at municipal taxes, again the Treasurer (Mr. McKeough) has played a very clever game. He claims in his budget there was no tax increase, but the taxpayer knows better. When he gets his bill from the city, from the school boards, he knows that it is because of the provincial government's policy vis-à-vis the municipalities that his taxes are going up. Sure the fall guys are the aldermen, the mayors and the school board trustees, but anybody knows that the real blame lies right here in this Legislature, with the Treasurer and his budget and the policies implicit in that.

The Edmonton agreement obviously shows how much the taxpayers, as well as the reeves, mayors and municipalities, can trust this government. The Edmonton agreement obviously is a piece of paper that means little more than what's on it and even that is not followed, and so whereas increases provincially are going up by 15.5 per cent, we are

seeing municipalities being starved out and property taxes going up.

If I look at the situation in eastern Ontario regarding farmers, Mr. Speaker, things aren't all that much better either. They have been ignored for a long time. We are used to the fact that the government won't decentralize. We are used to the fact that small farms are continually going out of business and there are fewer and fewer people on the farms.

I look, for example, at my particular former county of Stormont. I look at the figures from 1971 to 1975—let's put it back to 1966 to 1975—38.9 per cent fewer farms in the county of Stormont, more non-resident people. Total farm population down 51.6 per cent; total farm area down 23.1 per cent; improved farm land down 25.8 per cent. Lands under cultivation down 29.1 per cent; improved pasture down 21.9 per cent. Where is the progress? Obviously there is none.

The farmers are suffering as much as anyone else, especially in eastern Ontario where many of the farms are small, in some cases marginal. Many of these farmers looked with great hope to Queen's Park. They heard the idea—they heard the Ontario Federation of Agriculture and the National Farmers Union endorse it—of a farm income stabilization programme. This could guarantee them survival. This could help them out.

They heard the previous minister and the Treasurer both promise in the 1975 budget: "You will have a guaranteed annual income programme. It's in the budget. It's government policy. You will have it."

They never got it. Why? "It's all the fault of the feds. We have to wait for Eugene Whalen to straighten things out before we can move in."

That didn't stop the Province of British Columbia. That didn't stop the Province of Quebec, but Ontario—we don't get any action. We fall further behind.

Now we have a new minister. Hope for change? Some hope. Again, he promises: "Yes, this government supports the principle of a farm income plan." The budget again showed the shallowness of that promise in terms of what's committed.

It's no wonder, Mr. Speaker, people don't trust this government any more, and some people don't even trust the minister himself in terms of his credibility. I notice he has started a campaign to try and disprove the contentions of the leader of this party about the amount of farm acreage that's going out of production. He is trying to claim now: "Oh, there may be 26 acres an hour going

out of production, although I dispute that. Seven acres an hour are really going back into production so 26 doesn't really count, it is not accurate."

But I notice someone who does know something about farming, Mr. Gordon Hill, the president of the Ontario Federation of Agriculture, refuted what the minister said. I quote from Farm and Country newspaper, May 11, and an article entitled "Newman Can't Hide Behind Faulty Land Figures:"

The government believes that the marketplace should be left to operate as much as possible. Isn't that what got us into our present uncomfortable situation? Plans should be protected by the provincial Legislature. To burden elected municipal officials with the entire responsibility to resist demands for changes in the plan is unfair and unrealistic.

I realize that some of this refers to a land-use policy but it gets on to the other subject.

Pressure to alter the plans to accommodate vociferous residents and to increase tax revenues will be unbearable.

So first of all, the federation doesn't accept the provincial policy of laissez-faire in the question of land use. The federation rejects that. Then he gets on to figures:

Unfortunately the figures used by Newman leave the impression there really isn't anything to worry about. He cited the increased acreage of cultivated crops, such as corn, grain, and so on, to imply that land came back to farming from the period 1971-1974 by seven acres per hour. Actually this land did not come back. Most of it was switched from pasture and hay to cultivated crops. Some land owned by developers and speculators temporarily returned to crops but as soon as development is practical this land will grow houses and apartments, not corn and potatoes.

He further stated that 15 million extra acres lay waiting for the plough. This land is mostly under forest, all of it must be drained and it lies almost entirely in areas where weather conditions are less favourable for growing crops. Some 11 million acres are mostly class 4 land, which can be only 50 per cent as productive as class 1 even with the same climate. It would probably cost \$12 billion to remove the forest, prepare for tillage and drain this land and where would the funds come from?

[He says in concluding the article:] This issue should rise above a numbers game; there should be debate on the use of re-

sources. This can happen only if the government determines and makes known the quantity of food and land resources available. The material and the system are available; it must be done at once.

Even the minister has trouble convincing people in the federation of the veracity of his figures and his policies.

Very briefly, since time is fleeting, I just want to mention two final areas. One is Community and Social Services. I think the leader of this party has done an excellent job in pointing out the fallacies of the arguments and the policies being implemented by the minister. I know the minister was baptized Iron Jim, by his colleague, the kind-hearted, benevolent member and Minister of Industry and Tourism (Mr. Bennett) at a meeting in the minister's riding. This is a man who is supposed to be socially aware and sensitive to the problems of people. This is a man who, I think, is one of the most right-wing Tories in this entire Legislature. He is a man who could probably make the Minister without Portfolio (Mr. Henderson) look like a progressive in comparison. He is a man who probably is more at home administering Elizabethan poor laws than the complex social and community laws that we have in this province, and a man who, if I recall his speeches last year in this House, seemed much more comfortable with the 18th and 19th century than he ever did with the 20th century.

I noticed in the early stages of his restraint campaign that he talked about getting people to work and getting at these welfare people who were exploiting the system. I happened to do a little check in his particular riding in the community of Napanee, just to see what the job situation was like and how many people were registered for unemployment. Some of the figures I found very interesting.

In July, 1975, in Napanee at the Manpower office, 1,536 were registered for work. How many jobs were there for those 1,500 people? There were 95. In August, 1,700 were registered and 115 jobs. If we move up to December, 1,600 people were registered for work, and 42 jobs. In January, 1976, 1,863 people were registered, and 72 jobs. In February, 1,889 were on the registration and 75 jobs were available.

Even in the minister's own riding the question isn't so much of people ripping off the system or abusing it as the lack of jobs. If I look at the cutbacks in my own community and how they have affected the Children's Aid Society, regardless of what the minister

says, it does mean cutbacks and it does mean a curtailment of services.

Our particular Children's Aid Society had a bare-bones budget, a 17.8 per cent increase to operate. I point out in the case of the Stormont, Glengarry and Dundas Children's Aid Society that it has the lowest percentage of clerical and social workers per child in care in Ontario. The ratio of children to social service workers is 16.8 to 1. Hardly any other society in this province pays out less for looking after children in terms of boarding homes and foster parents, and they have made cuts already. They have the second lowest cost per average child in the entire province, and yet the minister is telling them 5.5 per cent doesn't mean cutbacks.

We're already in a special situation, as I pointed, in terms of special problems caused by artificially high unemployment. Salaries obviously have increased. The cost of boarding young people, of paying the foster parents, have to increase. They do have more teenagers to deal with. They could use 15 more specialized foster homes. We keep telling them 5.5 is an increase, that it's not a cut-back and it's not going to hurt them. As the people down there have said, that's complete and utter nonsense.

I think one way to illustrate the effect of the cuts in our particular area is when a constituent called me up one morning and said, "What are they trying to do, George?" I said, "You should ask the minister." He said, "Well, I don't care what they do, but if they want to cut out family service counselling in our area, if they want to reduce it, let them go ahead. All I will do is book into the hospital, spend the weekend there at a cost of \$150 a day, and the province can pay. I don't give a damn. If they are going to cut it out, I will go there anyway."

So there we are; we are cutting back services. But in effect, if you look at the overall cost of it, it is going to cost us far more, whether it be special services or in the future, the cutbacks aren't going to work—and the restraint policy is a farce.

In terms of hospitals, Mr. Speaker, I won't talk about the whole rationale that has been gone into it. I won't talk about the \$60 million spent on the private labs. I won't talk about the economic impact of those closures on small communities. I won't talk about the miscalculations by the Ministry in the case of The Great War Memorial Hospital in Perth. I won't talk about the short-sightedness of some of the actual cuts in terms of the alternate costs for facilities.

The one thing I will talk about in closing, Mr. Speaker, is the way the whole programme has been carried out. It has been an insult to the people of Ontario. There was no confidence displayed in the people in the hospitals, on the boards, and the district health councils and in the community. They were just completely ignored and steamrollered. There was no consultation, no input.

I recall very vividly being at the mass meeting in Clinton and how those people felt that the ministry had almost lied to them six months previously. I know in my particular area, one particular hospital was told to eliminate 35 beds in the equivalent of 35 days. For the two hospitals combined, 75 beds had to be eliminated in 35 days. Just ridiculous. Just stupid. Just contemptuous and arrogant.

Fortunately, because of pressures from the hospitals, and possibly some from myself, that regulation was relaxed in terms of our particular hospital. But why wasn't that done in advance? Why wasn't there any consultation? The two hospitals in our particular area were already working together on a voluntary basis with the co-operation of the ministry to try to reduce the number of actual beds in the community. Yet they get this boomerang thrown by the bureaucrats in Toronto. It was not brought up in the Legislature, not approved by the Legislature—done while we were adjourned. They ask themselves, "Where is democracy? Where do people count in this government? What do they care for us?"

I noticed in the Toronto Star on May 18, even the doctors were outraged by what they referred to as the "Gestapo-like tactics" being used by the minister, travelling around the province with his blank sheet and telling them, "You are next on my list." It is an outrage.

Mr. Speaker, we have the AIB in Ottawa—the Anti-Inflation Board. I would suggest that the people of Ontario are suffering from an AIB. It is not the Anti-Inflation Board; it is arrogance, insensitivity and bureaucracy. The people of Ontario have lost confidence in this government. The people want a change. A total of 66 per cent voted for a change. Ontario needs a change. The sooner the better.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in her chambers.

The Clerk Assistant: The following are the titles of the bills to which Her Honour has assented:

An Act to amend the Niagara Escarpment Planning and Development Act, 1973;

An Act to amend the Residential Premises Rent Review Act, 1975 (2nd Session);

An Act respecting the City of Windsor;

An Act respecting the Township of West Carleton;

An Act respecting the Township of Bosanquet.

BUDGET DEBATE

(continued)

Mr. Eakins: Mr. Speaker, it is a pleasure to rise again and speak as the member for that great and historical riding of Victoria-Haliburton, and to express again my appreciation to the people for giving to me the opportunity to represent them here at Queen's Park, and to give to them the liaison which I think all constituencies should have in dealing with government today.

I want to compliment and congratulate the Speaker on his election. He is a gentleman whom I have known for a long period of time, and he has certainly made a very great contribution to the political life of this province. I also want to extend my congratulations to the Deputy Speakers, the members for Lake Nipigon (Mr. Stokes) and Simcoe East (Mr. G. E. Smith), for the very fair and efficient way in which they carry out their responsibilities. And also congratulations to the member for Wellington South (Mr. Worton), who is presently in the Speaker's chair, and who is a man of great stature in many ways in this House.

[12:00]

I also want to congratulate the hon. member for Cornwall on his presentation today. I hope after his address today that he doesn't miss the plane he is trying to make, and I don't miss my bus.

Mr. Samis: I apologize for over-extending my remarks.

Mr. Eakins: It was an excellent address. His presence here is sort of a compliment to the people of the county of Victoria and the town of Lindsay because these communities helped prepare him for his future service to the people of this province. The hon. member is well and favourably remembered from when he was on staff at the Brock High School in Cannington in the years of 1965 to 1966, I believe, and 1966 to 1967.

The member did not have to move to another area of the province to find employment, which is one of the problems in many cases in the Victoria and Haliburton counties which I represent and is one which has been discussed many times in this House. It is a problem many of our young people have; they have to leave the area in order to find employment.

Mr. Samis: Let me say I have good memories of my days in Victoria-Haliburton.

Mr. Eakins: I'm glad to hear that.

Mr. Samis: I am still cognizant of the problems you are bringing up.

Mr. Eakins: Thank you.

Many pages of documents have been produced and distributed about the various areas of the province. What really must and should take place, I believe, is balanced growth in the Province of Ontario. There is so much talk and planning about packing people along the lakeshore in Ontario that there are many areas of the province which are feeling forgotten. I believe that before we reach a crisis stage and end up like the cities to the south of us—with great employment problems; social problems; transportation and housing problems—we must consider the needs of the other interesting areas of the Province of Ontario.

I've heard many members on various occasions in this House talk about the exodus of their young people to the Metro area. I can tell members it is a very real problem. It is unfortunate indeed that these young people cannot live, work and raise a family in the areas mainly of their choice. I can tell members that there are many areas of the province which do not want to be great growth areas or another Metro but simply want some good planning and development, some encouragement and, in other words, an occasional shot in the arm.

In the county of Haliburton, for instance, if it were not for the truckers and the lumbering operations in the Harcourt-Wilborforce area the people would be in very bad shape indeed. One of the reasons I fought so hard for the truckers and their PCV licences under the new legislation was to make sure that people were not having to operate in one small area where there is very little work and so that they can operate in several PCV areas across the province and have the opportunity to improve their livelihood.

Tourism is another area we are very interested in in this part of Ontario. Many of the tourist people become discouraged because

it's very difficult to be in an area which needs some incentive, some help for small businessmen and for the tourist operators. They look down here to Toronto and they see Ontario Place, which is subsidized by about \$4 million by the taxpayers of Ontario and they wonder when they are going to get a little extra incentive in their area in the Kawartha Lakes.

I can say that I have had excellent co-operation from the hon. Minister of Industry and Tourism (Mr. Bennett) and from his staff. They have been most helpful, most co-operative and I want to compliment them for this. They certainly offer much advice and help to many of the business and tourism areas. I would like to say that one thing they should do more of is to advertise their services sufficiently so that more people can take advantage of this service.

If there is one ministry I find the most frustrating to deal with in the government—I've had good co-operation, I must say, from most ministries—it has to be the Ministry of the Environment. We hear today so much talk about municipalities polluting rivers and lakes and not keeping up to standard. I can tell members through my experience of my own riding, that many municipalities are ready, willing and able to do the job but they are being frustrated by the Ministry of the Environment. I speak of the town of Lindsay, which has spent three years trying to enlarge its lagoons and it is only lately that we have been able to get this on the rails and get it moving.

Mr. Nixon: Private bills committee will help.

Mr. Eakins: I can say also that the minister is in receipt of a letter from the municipality of Anson, Hindon and Minden, which was encouraged to plan eight years ago for a water works and sewage disposal system, and is not much further ahead than it was eight years ago. I can only say to the minister and his people that this is a great tourist area and these people do not want to pollute the lakes. They want to provide water and sewer service to the people of the municipalities and to the tourist people. They are just being frustrated at every turn, and I hope that shortly something will happen in this ministry to give the people the development and support that they need to upgrade their service.

I want to speak briefly on OHIP and the health service generally. I realize the increased OHIP premiums have been discussed a number of times in this House, but I feel I

must add my own voice to those who have protested against this unfair burden that has been placed on the shoulders of so many people in the province.

The government has taken the attitude that this enormous increase in OHIP premiums, to \$192 for single coverage and \$384 for family coverage per year, will not create any real hardship for the people of Ontario. This is obviously an unrealistic assessment of the situation, and it would appear that once again the government has taken an ad hoc decision without giving serious consideration to its consequences for its citizens. The only explanation would be that the government is indeed fully aware of the implications but has ruthlessly decided to ignore the hardship which the increase in premiums will cause.

I am aware that many people are involved in group plans for Medicare with considerable employer contributions, and that some of these groups or corporations are able to write off the increased premiums on their tax returns. However, there are many non-corporate OHIP groups, such as municipal workers, school board employees, hospital workers and government employees. There are also thousands of individuals who will be forced to pay the entire OHIP premium themselves. Unfortunately, many of these people are in the lower income brackets.

The attention of this House has already been drawn to the recent story in the *Toronto Globe and Mail* about the man earning \$150 a week who has to pay the full \$384 annually for medical coverage on his family. There are obviously many other people in the same position, and to say there is no hardship involved here because of the increased premiums is patently untrue. From the government's actions in recent months, one would almost assume that provincial hospitals and municipalities are to be made the whipping boys for past extravagance on the part of these successive governments.

The Ministry of Health budget has grown enormously in recent years and, in an attempt to reduce overheads, the government has embarked upon a scheme to close hospitals in the province. No consideration was given to the needs of the surrounding communities or the service which the hospitals concerned had been providing. There were no alternative proposals put forward, such as reducing the number of beds in several hospitals of the areas, while issuing guidelines to follow, which would enable all hospitals to operate more efficiently and economically in an attempt to preserve hospital facilities.

In fact, there was no prior consultation with the hospital administrations. Community protests were ignored, as were the objections of the members of this Legislature. A divisional court has ruled that the closing of four hospitals is out of order and the government has indicated that this ruling may be turned aside at a later date. The increase in OHIP premiums means a further burden is placed on hospital budgets because, being non-corporate, hospitals are not eligible for the write-offs cited by Treasurer.

As for municipalities, they have been led to believe by former Treasurer John White, in the much-quoted Edmonton commitment, that transfer payments would increase at the rate of the increase in provincial revenue. Yet this government has wriggled out of this commitment, and transfer payments this year are only increased by 8.9 per cent compared with the increase in provincial revenue of 19.4 per cent.

Municipal budgets, too, will be strained by the increase in OHIP premiums for their employees. Perhaps hospital budgets and municipal budgets have become over-inflated in recent years, but there was no previous attempt on the part of the government to work with hospitals and municipalities to restrain those expenditures.

If it comes to that, people who live in glass houses shouldn't throw stones, and the provincial government has been one of the chief offenders when it comes to extravagance and overspending. The Treasurer was quite proud of his budget, I understand, but surely this pride was a little misplaced. Certainly he avoided the projected \$2-billion deficit, but is this deficit of \$1.25 billion something to brag about, when one considers that Ontario for years has been one of the wealthiest provinces in Confederation?

Are we supposed to accept the fact that the near 50 per cent increase in OHIP premiums was inevitable in view of inflation? This is nonsense, Mr. Speaker, and you and I both know it. The increases could have been avoided, or at least reduced, if bureaucratic inefficiency had been eliminated and administrative extravagance cut back. The almost 50 per cent increase in OHIP premiums was no more inevitable, or beyond provincial government control, than the close to half a billion dollars spent last year on the pre-election vote-buying goodies—the two per cent reduction in sales tax, the first-time home buyers' grants, and automobile sales tax rebates.

If the Treasurer in his ivory tower believes that the government's fiscal policies won't cause hardships to the people of Ontario, perhaps he should have some of his Treasury experts check out the situation for a cross-section of families in the middle-to-low-income bracket. Let them take into consideration a family man, forced to pay \$84 a year for OHIP premiums, possibly increased Blue Cross payments, high property taxes because of the cutbacks in transfer payments, inflated hydro rates to cover expansionary development on the part of this government-sponsored Frankenstein's monster. At the same time, this man is unlikely to receive an increase in salary to compensate for his rising expenses, because this government has accepted, without reservation, the jurisdiction of the federal Anti-Inflation Board. This budget will cause no hardship, the Treasurer (Mr. McKeough) says. Such a statement is complete nonsense, and he knows it.

I want also to refer to the Browndale situation, which is very current and has been under discussion, in our party at least, for a long period of time. As you know, Mr. Speaker, our leader and members of the opposition have raised questions in the House concerning the Browndale homes organization. There have been allegations that John Brown, the founder of this group, controlled some of the property leased by the organization to house approximately 300 mentally disturbed children in group homes across the province, for which the government pays upwards of \$64 a day towards the treatment and housing of each child, with the annual government bill for the programme amounting to something over \$7 million.

It would seem the government is unwilling to deal adequately with the problems which have come to light in connection with the Browndale organization. No progress has been made in the investigation of the situation that has been brought to the attention of this House on a number of occasions. According to an article in the *Globe and Mail* on May 18, neither the Ministry of Health nor Browndale (Ontario) knows how much longer 16 emotionally disturbed children will remain in Browndale's four Peterborough homes, which have been designated by a ministry official as unsafe and overcrowded.

Last month, the ministry was assured by the organization that three new houses, which had been leased in Peterborough, would be brought up to Ministry of Health and fire safety standards by May 1. The 16 children concerned were scheduled to be moved as soon as the houses had been approved by a

newly appointed advisory committee on Browndale homes in Peterborough and the necessary licenses issued. However, on May 17, according to ministry officials, no applications for licences had been submitted, and I understand that it normally takes something like four to six weeks for the government to give approval once applications for these licences have been submitted.

[12:15]

We feel we are completely justified in pressing the government to investigate the operations of Browndale. Surely this government must agree that any programme that is attempting to deal with an issue as important as children's mental health must be investigated without delay when so many suspicious circumstances have become public. These children must be protected and this must be our first consideration. For the ministry to take the attitude that nothing can be done about the complaints of private individuals regarding these homes because Browndale is a private organization is ludicrous and irresponsible. Moreover, how can an organization be described as private when it is funded from the provincial Treasury to the extent of more than \$7 million.

Critics of the Browndale organization have been told, you would not want to see the entire programme closed down, would you? Implicit in this comment is the bald threat that, if criticism is carried to an extreme, the programme would not only be investigated but possibly phased out altogether. In other words, this is a quite unprincipled attempt to make critics feel guilty, that because of their justifiable criticism they might be responsible for depriving mentally disturbed children of valuable assistance. Some people might be left with the feeling that this is the kind of pressure which one might expect from a questionable element involved in some kind of a racket, rather than a responsible attitude on the part of government officials who have been approached by concerned citizens.

Why is the government so concerned to protect the interests of the Browndale organization? If everything is above board and the allegations which have been made are inaccurate or unjustified, then surely an investigation would clear the air and satisfy all concerned. On the other hand, if Browndale directors are taking advantage of the situation at the expense of the Ontario taxpayer, if these mentally disturbed children are being cared for in conditions which are less than satisfactory, then these matters must be put right without delay.

I just want to refer to a paragraph in a letter which has been well circulated to the ministry and others from a lady in Orillia who writes a very interesting letter and who has been connected with the Browndale organization there. I just want to read this to you, Mr. Speaker:

There is a very huge discrepancy between the way things are talked about and should be and the way in which things are. The Browndale model has disintegrated and got lost in the shuffle of continual staff change. The administration has been aware of this and has done little to remedy the situation. When questions were asked of the senior people and director, the questions were turned around to put you on the defensive. That is, "Do you really want to be here?" [This was] a threat by many people's standards and enough to make you stop asking questions, if you really do want to work there with the children and try to fulfil the two-year commitment you originally make. This is only a moral commitment. It is taken seriously when you think in terms of the children who do not need another person to go away from their lives.

We can see the very dedicated people who have worked in the Browndale organization and I feel that this government owes these people and others to clear up this situation and to put things right.

Mr. Nixon: It should be run by the province.

Mr. Eakins: Once again I would ask the government when we may expect the results of the inquiry into the activities of Browndale and exactly what is happening with respect to the organization's homes in Peterborough.

I want to make reference to the problem of the liquor store workers. The Ontario liquor store workers have been trying to persuade this government to confirm an arbitration award which would give them a 30 per cent pay boost over two years. This award was not, however, sanctioned by the government back in February and was subsequently forwarded to the Anti-Inflation Board which slashed the first-year increase to 11.3 per cent from 20 per cent. Opposition members have questioned the government on a number of occasions as to why these negotiations commenced more than a year ago have not reached a satisfactory conclusion and why the arbitration agreement was apparently opposed by the chief negotiator for the LCBO at the Anti-Inflation Board, etc.

Also, my colleague from Sarnia (Mr. Bullbrook) has questioned the Attorney General

(Mr. McMurtry) about the attitude taken by the government with respect to the arbitration award and the apparent possibility that the arbitration section is severable from the Crown Employees Collective Bargaining Act. There is great inequity involved in dealing with statutory awards as opposed to collective agreements. It would seem the government is depriving employees of the right to compensation under the statute while still maintaining that they have no right to an appropriate collective agreement.

The Attorney General's contention at the time that the federal anti-inflation legislation is paramount during the term of the agreement between the province and the federal government is obviously unsatisfactory to the members of the Legislature and to the LCBO workers. The liquor board workers are in a very difficult position and surely it is time for the government to deal honestly with the problem, rather than be hiding behind the skirts of the federal legislation.

I also want to say, Mr. Speaker, that recently my leader brought to the attention of this House the fact that the company which moved Ontario Hydro's operations into its new headquarters on University Ave. may have won the moving contract because it planned to pay wages below the union scale. This company, Tippet-Richardson Ltd., was the third lowest bidder of the 11 in competition and the two lower bidders were too small to undertake the job.

This move took more than eight months and cost something in the region of \$230,000, and there was a clause in the tender which required companies to bid on the basis of paying workers \$6.15 an hour, but apparently Tippet-Richardson were paying \$3.30 or \$3.70 an hour. The difference in labour costs, amounting to \$100,000, would have been a major factor in permitting the company to submit a lower bid, knowing all the time that lower wages would be paid.

The minister informed the House an investigation is being carried out into this matter, but confirmed that the labour requirements of the tender were not fully met. Our contention is that the whole tendering process must be called into question when one of the competing companies is able to bid on a basis different from other companies and that the Attorney General, in view of the fact that this contract has been breached, should look into the possibility of charges being laid under a section of the Criminal Code.

There have been many problems in the past over government tenders, or lack of public

tendering of government contracts. There should be no favouritism or patronage involved in this kind of thing and the government should make absolutely sure that all bidders compete on an equal basis. If present legislation is not adequate, then we must make sure that it is changed to close possible loopholes for inequities or unfair bias. However, in this instance, our prime concern has to be the injustice to the workers who had to work below the union scale.

I want to mention too, Mr. Speaker, the problem of the public health nurses. The public health nurses in Haliburton, Victoria and Northumberland were locked out of their offices earlier this month. They had been working without a contract since Jan. 1 and their negotiator has said they are quite willing to continue working. The health unit on the other hand stated the nurses were being locked out because the unit had gone to its maximum with the latest offer. The nurses have been asking for raises ranging from 14 to 18 per cent in their bid for parity with hospital nurses, while the health unit has offered seven per cent.

The provincial government maintains it cannot influence these negotiations or intervene in any way. However, surely something could be done to bring about an early and amicable settlement. The province pays 75 per cent of the tri-county health unit budget. Incidentally, the unit is composed of seven members, three appointed by the Northumberland council, two by the Victoria council, one by Haliburton council and one by the Ontario government. It is true that the lockout decision was unanimous, which is a clear indication that the member appointed by the government supported the unit's action.

On March 18 the Ontario Nurses Association issued a statement on the situation and called for justice for Ontario public health nurses. The association said good-faith bargaining for nurses in public health units for 1976 is practically non-existent in this province and that local boards of health refuse to bargain beyond eight to 10 per cent guidelines, as set out by the Ministry of Health in Ontario, in spite of the long-standing historical relationship that exists between hospital and public health nurse salaries.

The association accused employers of hiding under the new-found monetary shelter and of unilaterally ignoring the intent of the Act that provides for special consideration for groups with historical relationships in order that these groups do not suffer undue hardships because of the timing of the anti-inflation guidelines. The association contends that

with the cutbacks in health and social service in Ontario the services of public health nurses will be more essential than ever, but with the current depressed salaries there will be no incentive for nurses to enter or remain in the public health field.

I know that time is getting on and perhaps there are others who wish to speak but I would just like to close by saying to the members of this House, on behalf of the warden of the county of Victoria, who is also the reeve of Bobcaygeon, that this is their centennial year up in this great part of the province. This is a great summer and winter vacation area. I know there is great hospitality being planned for the people of Ontario who visit this great area of Bobcaygeon this summer. I just want to take this opportunity of inviting the members of the House, their families and friends to visit this great village of Bobcaygeon during its centennial year.

Hon. J. R. Smith: Mr. Speaker, I would like to take this opportunity personally and on behalf of my constituents to congratulate you and wish the very best on your reappointment as Speaker of the House and to say that I look forward to the time after June 12 when I will have a new relationship with you in that I will be the uncle of your grandson Travis. I must say that during the past few months I have come to know many of your constituents and neighbours much better.

Mr. Reid: You are trying to get some experience in those things. You are observing closely now, are you?

Hon. J. R. Smith: I would be remiss if I did not also take this opportunity to thank the electors of Hamilton Mountain for returning me last October as their member. It was indeed a well-fought campaign in that constituency. I would particularly like to thank the Liberal candidate, my neighbour, Mr. Ray C. Edwards, a fine Christian gentleman, who fought a very good campaign. It was a good fight in Hamilton Mountain. I am pleased to see that when the election finances were finally published that constituency was not retained, as was very evident, by the amount of money spent in the campaign but rather by the hard work and dedication of friends and Conservative workers in that constituency.

The city of Hamilton and the region of Hamilton-Wentworth are over the threshold of many new and positive changes. Any visitor to the downtown core of our city cannot help but be impressed by the manifestation of those changes and, in particular, the

development of Lloyd D. Jackson square and presently the construction of the provincial trade centre, the new Hamilton Art Gallery and so on. Hamilton has come of age and is going to be one of the most exciting places in which to live in this province and nation.

I would also like to commend the member for Wentworth (Mr. Deans) who has come forward with the proposal that the people of Hamilton-Wentworth should undertake by public subscription to build an arena which should be located in the downtown core of our city. I think the hon. member's idea has great merit because one thing about Hamiltonians is their co-operative efforts in support of public ventures. We have a theatre auditorium superior to any other such facility in Ontario, entirely raised by public subscription, the majority of the moneys coming from payroll deductions in the various plants. The people of Hamilton have similarly been very generous in contributions for the new Hamilton Art Gallery. I would say that we should all support this proposal for a publicly financed arena with matching grants undoubtedly to come forth from Wintario. I would like to say that one of the best ways to start this fund would be for a miles-for-the-arena walk some time either this year or early next spring to launch the campaign.

[12:30]

As I say, in the downtown part of the city the essential services have been upgraded and new facilities constructed. The addition of a public arena in that location would complement the provincial trade centre; the facilities of the Football Hall of Fame; the expanded facilities of the library; the convention centre; the new Ontario government building which will be constructed there; the city hall; and the board of education facility. It will also do a great deal to assist the many small businessmen, notably restaurant and hotelkeepers and shopkeepers, in that area rather than being put somewhere in the suburbs where really it will have no benefit other than to clog the highways. It has good transportation to the centre of the city and is an ideal location.

I would also like to say, through you, Mr. Speaker, to all members of the House that at this time the people of Hamilton have very much in their minds and their prayers the condition of our beloved Mayor Victor Copps. I know the community is very concerned and prayerful for his steady progress on his road to recovery.

At this time, also in connection with the mayor, I would like to commend the government of Canada for last night's announce-

ment by Mr. Hugh Faulkner, the Secretary of State, at the citizenship court held at the Hamilton multicultural centre. He announced the appointment of Mrs. Geraldine Copps as the new citizenship judge for Hamilton-Wentworth. I know that her many years of support of her husband and her public interest in all aspects of community life will equip her as a worthy addition to this position following the footsteps of Judge Alice McEwen who, although she came to us as a stranger from Kingston, through her capabilities, understanding and foresight, soon endeared herself to the total community.

A great deal has happened across the province regarding the government's restraint programme and it has also affected my community. A lot has been said about government's insensitivity to the consultative process; however, I must say that from my experience I want to thank the acting Minister of Health (B. Stephenson) for her support and concern about the restraints which had to be made in the Hamilton-Wentworth hospital budgets. There were many people who were sceptical and negative when the Minister of Health said that she would listen and she wanted a response from the Hamilton-Wentworth health council.

Mr. Reid: Why didn't she get the response before she closed the hospital?

Hon. J. R. Smith: We have an active health council. It has just been reappointed and is representative of the community—

Mr. Reid: Did they suggest closing it down?

Mr. Speaker: Order, please, only one person has the floor.

Hon. J. R. Smith: As a person who is an optimist as opposed to many of the opposition pessimists, I am pleased to say that a satisfactory conclusion was reached in this matter.

The Chedoke Hospital will continue to serve its patients and the community with a very active, supportive emergency facility with ambulatory beds and active treatment beds. A greater emphasis will be placed on active treatment beds for this very fine rehabilitative hospital facility which, in the future, undoubtedly will have an even greater role to play as one of the major rehabilitative hospital facilities in Ontario.

Similarly, I would like to say that I was pleased that the Minister of Community and Social Services (Mr. Taylor) has announced that the Hamilton-Wentworth Children's Aid Society will be allowed a budget increase of 1.5 per cent more than its seven per cent in-

crease; more than the social services spending ceiling set by the province earlier this year. I was glad to see that Mr. Jack Finley, the managing director of the society, said yesterday that the budget will mean stringent belt-tightening but a child in need will not be neglected.

One of the happier events that I have had the opportunity of participating in was the opening of the first senior citizens highrise complex in my constituency last month. It is a 240-apartment unit on Upper Gage and Mohawk Rd. in Hamilton, and it has been very appropriately named the Swansea Apartment by a vote of the tenants in recognition of the 45 years of life and service to the community by the late Canon John Samuel who originally came from the Swansea valley in Wales, and I hope this will be the first of more senior citizens accommodation on the Mountain.

I'd like also to elaborate on a number of things directly related to my ministry, and particularly want to—

Mr. Reid: Would you tell us about a new jail for Fort Frances? Why don't you make an announcement about our new jail?

Hon. J. R. Smith: I'd like to comment on the CBC programme entitled "As It Happens," which had an item on training schools. One of the basic tenets of responsible journalism as it is practised in a democratic country is that there are two sides to every story, and perhaps this means that, regardless of their own personal biases, good journalists provide an opportunity for different points of view to be aired.

On May 3, the CBC radio programme "As It Happens" ran a 30-minute item on training schools which made absolutely no attempt at being fair. This item was inappropriately called a "documentary," when in fact it was a one-sided editorial. The item was a curious and unusual inclusion in "As It Happens," which has established an enviable reputation for being interesting, provocative, and, perhaps most importantly, for being fair in the airing of interviews on topics of interest. From beginning to end, this item contained only interviews with persons who criticized training schools.

One exception was the voice of a staff member of a training school, who was not replying to criticism but merely giving a straightforward description of physical facilities while walking through a school. There are many dedicated, humane and caring individuals who are devoting their lives to working with the delinquent children admitted to our training schools. With the ex-

ception of the person just mentioned, not a single one of these people was heard on the programme.

Mr. Cunningham: They were scared.

Hon. J. R. Smith: There are many who are concerned administrators involved in planning and operating the multi-faceted programme for children in training schools who would have had positive comments to make. Not a single one of these people was heard on this programme. There are many young people who have benefited from the care and attention which they received while wards of training schools. Not a single one of these people was heard.

There are many concerned and knowledgeable people working with delinquents in the community who could be considered neutral observers with insights to offer on the special problems posed by delinquents sent to training schools. Here again, not a single neutral observer's views were heard, although two names were given to the producer; namely, Insp. Fern Alexander of the Metropolitan Toronto Police Youth Bureau, and Dr. Clive Chamberlain, chief of service, psychiatric service of the provincial court, family division.

The producer of this item, Beverley Reid, admitted to officials of my ministry that she had interviewed only persons opposed to training schools. Her research on the other side of the issue consisted of a one-hour interview with the executive director of juvenile programmes in my ministry. None of his positive comments with regard to training schools was aired. Although invited to visit a number of training schools to observe a variety of programmes in some of the newer schools, Miss Reid chose to spend only three hours at one of the older schools. From that visit she chose to air only a superficial description of the physical facilities and negative comments from wards.

The one-sided and negative presentation was at considerable variance with reports about the same school broadcast by other reporters who toured the school the same day she did, including two other CBC reporters. For the most part, the other reporters who also interviewed wards of the school made positive comments about the openness of the programme and of the staff. I think it is only fair to say that in my limited experience in this ministry, I have found that even at this school the majority of the young men have good things to say, and I think we must recognize there will always be perhaps two or three per cent who will never be satisfied

or perhaps will act out when a microphone is put before them.

The visit by the reporters was sparked by critical comments made in the House by the Liberal leader, and his comments were based on an article written by a man who had been employed at the school some seven to eight years ago. The Liberal leader subsequently sent his correctional critic, the member for York Centre (Mr. Stong)—a man of high calibre whom I respect a great deal and who also is a criminal lawyer with a great deal of practical experience with juveniles—to examine the school's programmes first hand. I would remind the hon. members that his comments are in Hansard and that the committee studying the estimates of this ministry were very supportive of the superintendent, the staff and what is happening.

In summary, the item on training schools broadcast by "As It Happens" on May 3 consisted of a trial which heard only testimony and allegations from the prosecution and not a single word from the defence. It was an unjust trial. It was totally unfair and an irresponsible piece of journalism. The CBC has a mandate to broadcast to all Canadians. Surely implicit in the tremendous responsibility placed upon it to serve all Canadians is the responsibility to be fair and balanced in its presentation.

I was also asked a number of questions about the criticism about the Pine Ridge School in Bowmanville as a result of a grand jury report. In April, 1976, the grand jury visited Pine Ridge School in Bowmanville and made a number of recommendations. The recommendations appeared to be more related to the issue of a disturbed boy being transferred to a psychiatric facility than to the facilities or programmes offered at the institution. The report remarked, somewhat supportively, that the boy's reaction to transfer was perhaps not inappropriate. This view was shared by our ministry. We have commented that the young man in question had been experiencing adjustment difficulties over a prolonged period of time. He has recently been placed in a Browndale treatment centre. We hope he will respond to the services provided.

Over the past several months the grand jury has visited at Bowmanville on three occasions. Their subsequent comments indicate that in general they were satisfied with the standards maintained at the institution. Recommendations made by them have been acted upon and action taken has been noted in subsequent reports. In each of the reports

one short sentence is given to that portion of our service that utilizes the bulk of our skills and energy. It simply says: "We were met by the superintendent, who gave us his philosophy and plans of the school in the library, which was well stocked and clean."

We would be remiss as a ministry if we did not attempt to balance the ledger somewhat by calling the public's attention to what we do rather than what the grand jury perceives we don't do. Bowmanville is a facility originally designed for use and later turned over to our ministry for use as an industrial school. For the past 50 years our ministry has been involved in construction, reconstruction and maintenance of this facility to provide the structural changes required to meet the demands of a diversifying programme.

Academically, the school offers a diversified occupational programme for boys 15 years of age and over and an elementary curriculum set out by the Ministry of Education. Vocational training includes such courses as carpentry, building construction, sheet metal, welding, painting, decorating, auto servicing, trowel trades, food service and horticulture. Each young man receives individual counselling by a guidance specialist to assist him in making wise choices of vocational roles.

I would like to say at this time that the ministry presently has a task force, representative of administration, teachers and others competent in the field of education, reviewing our whole educational programme, both in the juvenile and adult divisions. Similarly, we have formed a committee to look at the whole role of chaplaincy and chaplain volunteers throughout the ministry as well.

This year saw the development and implementation of an intensive one-month outdoor recreation programme where a small group of boys spent an entire month studying nature lore, meteorology and biology. As part of this exercise, one group participated in two-day and five-day overnight outdoor excursions. In September, 1975, as part of a total service to the child, teachers joined the treatment and child-care staff as part of the team assigned to programming for the individual.

Again, cognizant of the child as a contributing part of any system, the treatment staff of the school increased its services to families of boys in residence. In many cases, families would come to the school for the service, but where this is impractical the staff would journey to the home to carry out the counselling. For some time, the focus of the ministry has been on community-based

service. Both the work study programme and the prime worker programme have been evolved with this in mind.

[12:45]

The work study programme is an on-the-ground and in-community exposure to working situations. In the last year, 40 boys have been involved in this programme in a variety of occupations. The intent here is to teach students how to apply for a job, how to perform well in the job and how to manage their pay cheques, all in preparedness for self-sufficiency.

The prime worker programme evolved from an awareness that significant relationships between the child care staff and the children are formed during the institution phase of a child's experience and that this relationship could play an important part in community placement. A supervisor is assigned a case-load of three to five boys for whom he is particularly responsible in regard to family, after-care contact and graduation plans under overall supervision of the house treatment representative.

This prime worker is aware of a child's needs for continued support and guidance during this difficult transition from institution to community and will participate with him, sometimes on a daily basis, accomplishing such tasks as seeking employment, registration at school, facilitating discussion and setting goals with the family. This relationship is gradually replaced by the probation after-care officer who is responsible for the long-term community supervision of the child.

The recreation programme at Pine Ridge offers a cross-section of activities, ranging from the standard gym-oriented sports to outdoor activities, such as canoeing and downhill and cross-country skiing, hockey, etc. A feature of the recreation programme at Pine Ridge is an attempt to involve the boys in as many community activities as possible. This is accomplished both by going to the community and by making the facilities of the school, such as the gym and the swimming pool available to local residents. In fact, the superintendents remarked to me that one of their problems at Pine Ridge is the parking lot facilities are not large enough to accommodate the hundreds of people who come to use their facilities for recreation purposes.

Pine Ridge has an ever-expanding volunteer programme. In this past year, roughly 50 volunteers were involved with students in arts and crafts, dramatics, photography, aquatics, music, remedial and many other leisure activities. In addition, the boys at

Pine Ridge themselves act as volunteers with retarded and the aged in the local community. In the coming year, Pine Ridge looks to develop both a positive-peer culture programme and a community re-entry programme. The latter programme will concentrate on the older, participating youth who needs assistance in finding employment and self-contained accommodation.

The positive-peer culture programme which has been utilized in Sprucedale, has demonstrated, at least in its early stages, a potential for assisting its clientele. I was really pleased that the ministry seminar held at OISE this winter by the author of the positive-peer culture programme was so widely attended by hundreds. Particularly noticeable were the number of young people, university students, who recognize in this programme some very positive aspects. I know from the enthusiasm of those who are working at Sprucedale that I've met and from some of the graduates of that positive-peer programme at Sprucedale that it's a very exciting thing and maybe it will have some of the answers we've been long looking for.

The above descriptions are by no means an exhaustive list of programmes available to boys at Pine Ridge. The programming at this institution is always adapting, as the superintendent and staff attempt to design new initiatives that will meet the needs of their population. Growth of this nature characterizes Pine Ridge, in spite of the physical limitations of the plant which that institution contains.

I felt it really necessary to commend the programme at that school because it's so easy for certain people to be negative and say a lot of things to which the members of staff cannot respond. I'd say I recognize on many occasions it's no easy job, task or walk in life to work in one of these institutions. Sometimes you only hear one side of the story. I think of one of the young ladies from the school at Hagersville who had a severe physical impairment through an altercation with one of the residents of that school, is still on sick leave. And so to all the workers of the training schools throughout the province, I would like to thank them for their ongoing involvement with the students and the good work they are doing.

Mr. Speaker, I would also like to commend the staff of the Brampton Jail during the recent fire in that venerable institution. The most serious threat to human life in the fire at the Brampton Jail on Feb. 9 was posed by the smoke. As Superintendent John Stone

recalls, "It was as thick as if there was a blanket over your head at midnight." We know it was an act of arson by one of the inmates. The whole staff quickly responded to the situation, and through good judgement and fast action, the lives of inmates and staff were saved. I think we can really commend the entire staff, who work so well in this very difficult and overcrowded institution.

During the estimates of my ministry, Mr. Speaker, some positive remarks were made by the hon. member for Dovercourt (Mr. Lupusella), regarding the problems of immigrant children in conflict with the law. I want to say publicly, as I assured him privately, that it is very fortunate and speaks well for the community—particularly the Italian and Portuguese communities—that percentage-wise very few youngsters from these immigrant backgrounds find themselves in conflict with the law.

One of the ever-increasing needs of my ministry is the volunteer worker. I would like to commend this morning one of these volunteers, Mr. Jose Carlos Sousa, of Metropolitan Toronto, who has been working with the children of immigrant non-English-speaking parents, who have growing up problems that are peculiar to them. Mr. Sousa is a volunteer probation worker with Metropolitan Toronto Portuguese population, and he is hoping to lessen the difficulties of a few immigrant families. He works for the Portuguese Consulate General as a community worker. He helps immigrants with problems, such as tracking down employers who don't pay employees for their work, compensation claims, and so on.

He feels that the ultimate goal of every immigrant should be full participation within Canadian society. And this is being achieved through volunteers such as him.

I would like to say to the hon. members that where there are large concentrations of new Canadians, we are particularly eager to have more community volunteers to assist our programmes, both with young people and adults.

Mr. Speaker, the other night I had the opportunity of addressing the Hamilton and District Literacy Council's annual meeting, and I am very proudly wearing this morning their logo pin. You will notice it is a very well-designed emblem of two people standing side by side. It shows that tutor and student are equal.

Mr. Nixon: Do you see that, Mr. Speaker?

Hon. J. R. Smith: The literacy council in Hamilton has been a pioneer in the creation of this first such movement in this province, which I see as having an application throughout Ontario. It is evident, even in our adult institutions, there are many people who are illiterate. These volunteers are doing an admirable job in assisting so many inmates to discover the joys of reading and writing, as well as assisting countless people in the regular community.

One of the finest institutions in our ministry is, of course, the Vanier Centre for Women in Brampton. I would like to share with you the report of a research study on Vanier Centre. Correctional officers at the centre—

Mr. Nixon: Why don't we just adjourn and get on with this at another time?

Hon. J. R. Smith: There is lots of time, Mr. Speaker.

The correctional officers at Vanier Centre for Women are key figures in the institution's programme, a report by Leah Lambert and Patrick Madden has recently shown. This study spanned a four-year period, 1970 to 1973, and included a followup in the community. Correctional staff, more than any other level of staff, were shown to have the greatest potential for assessing and influencing behaviour.

Staff and residents of the Vanier centre and the female wings of the Whitby and Toronto jails participated in the study. A total of 338 women admitted to the Vanier centre for 1970 to 1971 were included in the sample. Of these, 178 were interviewed one year after their return to the community. Our files were checked for all 338 at the end of the two-year period. In the community followup, probation and parole staff across the province were largely responsible for locating the subjects prior to the research interview.

Of those 338 women, 22 per cent, 74, were reconvicted during their first year in the community. An additional two per cent, six women, were reconvicted for parole violations; 13 per cent, which is 44, were reconvicted during the second year, bringing the total recidivism to 37 per cent. Of the 118 recidivists, 110, or 86 per cent, were incarcerated at some time during the two-year followup period.

The length of time spent at the centre was found to be important in terms of delaying recidivism until the second year and very short terms were found to be the least meaningful. Those with less than four months showed the fastest return rate. Stays lasting

four to eight months appeared the most positive.

The employment pattern was the most significant factor in terms of intervening in the criminality pattern. Women with prior criminality had an overall recidivism of 46 per cent. Of this group, those with stable employment patterns showed a 16 per cent recidivism.

Directly connected to that, Mr. Speaker, in the opposite direction, is the correctional centre for men at Monteith, north of Timmins, and also in southern Ontario there is a similar programme—I would like to commend the staff there as well as the staff of Monteith for their vocational preparation programme. It was in co-operation with Northern College and the federal Department of Manpower and Immigration and has shown some tremendous results.

I would just like to share some of the statements made by people involved in this programme:

The lesson we can learn from the Monteith success is that we can learn to co-operate in social services. There has been a great deal of co-operation here among senior people. An individual isn't dead when a prison sentence is imposed. There are opportunities.

Mr. J. W. Baily, the assistant dean, retraining and apprenticeship division, at Northern College, made that observation. Again, I would like to say that the members of this House are ever welcome to visit any of the correctional centres or training schools at any time.

And since it is 1 o'clock, Mr. Speaker, I will move the adjournment.

Hon. J. R. Smith moved the adjournment of the debate.

Motion agreed to.

Hon. Mr. Welch: Mr. Speaker, before moving the adjournment of the House, and wishing a good holiday weekend for all members of the Legislature, may I indicate the programme for next week?

On Tuesday, when we return, in the afternoon there will be a legislative session from 3 to 6. We will go into committee of the whole House on Bill 25. We will then come out of committee and do second readings in this order: 12, 13, 7, 8, 9, 10 and 11, as time will permit.

Hon. Mr. Welch moved the adjournment of the House.

Motion agreed to.

The House adjourned at 1 p.m.

CONTENTS

Friday, May 21, 1976

Financial protection for farmers, statement by Mr. W. Newman.....	2529
Dental care coverage, statement by B. Stephenson.....	2529
Viral diseases isolation, questions of B. Stephenson: Mr. Lewis, Mr. Godfrey.....	2529
Water supply in Frankford, questions of Mr. Kerr: Mr. Lewis.....	2530
Travel industry legislation, questions of Mr. Handleman: Mr. Lewis, Mr. Philip.....	2531
London restaurant workers strike, questions of B. Stephenson: Mr. Lewis, Mr. Shore ...	2531
Browndale operations, questions of B. Stephenson: Mr. S. Smith, Mr. Shore	2531
Police protection, questions of Mr. MacBeth: Mr. S. Smith, Mr. Kerrio, Mr. Germa, Mr. Singer	2532
Electricity consumption, question of Mr. Timbrell: Mr. S. Smith.....	2533
Group home licensing, questions of Mr. Taylor: Mr. S. Smith, Mr. Lewis.....	2534
Occupational health, question of B. Stephenson: Mr. S. Smith.....	2535
Driving privileges of federal minister, question of Mr. McMurtry: Mr. MacDonald.....	2535
Buttonville airport expansion, question of Mr. Davis: Mr. Stong.....	2535
Aid to third world, questions of Mr. Davis: Mr. Samis, Mr. Nixon, Mr. Reid.....	2536
Private police, questions of Mr. MacBeth: Mr. B. Newman.....	2537
Hospital closings, questions of B. Stephenson: Mr. Lewis.....	2537
Water pollution, question of Mr. Kerr: Mr. Germa.....	2538
Controlled access highways, questions of Mr. Snow: Mr. Eakins.....	2538
Driving privileges of federal minister, questions of Mr. Snow: Mr. MacDonald.....	2538
Travel industry legislation, question of Mr. Handleman: Ms. Bryden.....	2539
Report on aid to third world, Mr. Welch.....	2540
Point of clarification re driving privileges of federal minister, Mr. Snow.....	2540
City of Windsor Act, Mr. B. Newman, second and third readings.....	2540
Township of West Carleton Act, Mr. Yakabuski, second and third readings	2540
Township of Bosanquet Act, Mr. Eaton, second and third readings.....	2540
Budget debate, continued, Mr. Samis.....	2540
Royal assent to certain bills, the Honourable the Lieutenant Governor.....	2553
Budget debate, continued, Mr. Eakins, Mr. J. R. Smith.....	2554
Motion to adjourn debate, Mr. J. R. Smith, agreed to.....	2564
Motion to adjourn, Mr. Welch, agreed to.....	2564

SPEAKERS IN THIS ISSUE

Breithaupt, J. R. (Kitchener L)
Bryden, M. (Beaches-Woodbine NDP)
Campbell, M. (St. George L)
Cunningham, E. (Wentworth North L)
Davis, Hon. W. G.; Premier (Brampton PC)
Eakins, J. (Victoria-Haliburton L)
Germa, M. C. (Sudbury NDP)
Godfrey, C. (Durham West NDP)
Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
Hodgson, W. (York North PC)
Irvine, Hon. D. R.; Provincial Secretary for Resources Development (Carleton-Grenville PC)
Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
Kerrio, V. (Niagara Falls L)
Lewis, S.; Leader of the Opposition (Scarborough West NDP)
Lupusella, A. (Dovercourt NDP)
MacBeth, Hon. J. P.; Provincial Secretary for Justice and Solicitor General (Humber PC)
MacDonald, D. C. (York South NDP)
Mancini, R. (Essex South L)
McMurtry, Hon. R.; Attorney General (Eglinton PC)
Newman, B. (Windsor-Walkerville L)
Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Peterson, D. (London Centre L)
Philip, E. (Etobicoke NDP)
Reid, T. P. (Rainy River L)
Ruston, R. F. (Essex North L)
Samis, G. (Cornwall NDP)
Shore, M. (London North L)
Singer, V. M. (Wilson Heights L)
Smith, Hon. J. R.; Minister of Correctional Services (Hamilton Mountain PC)
Smith, S. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
Stong, A. (York Centre L)
Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)
Timbrell, Hon. D. R.; Minister of Energy (Don Mills PC)
Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, May 25, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159)

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LEGISLATURE OF ONTARIO

TUESDAY, MAY 25, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

SELECT COMMITTEES

Hon. Mr. Welch: Mr. Speaker, later today at motion time I will be moving that three select committees of this Legislature be established, all of which will be examining issues of concern to all members of the House. At this point I would ask the consent of the House to introduce this motion.

The select committees are: First, a select committee on truck transportation on Ontario highways; secondly, a select committee on highway safety and accident prevention; and thirdly, a select committee on company law.

The detailed terms of reference and the membership of each committee of course will be specified in the motion.

I wish to recall very briefly the background to these committees. Members will recall that the Minister of Transportation and Communications (Mr. Snow) indicated on April 20 in the House, "No satisfactory overall response has been developed or offered to address the criticisms which have been directed at the system of truck transportation in the province." The minister indicated then that a select committee, acting as an impartial group, was endorsed by the government as the best way to investigate and make recommendations on the regulating system governing for-hire trucking in this province. The committee proposed today is the fulfilment of that undertaking.

In the Throne Speech opening this session of the Legislature, it was announced that the overall question of highway safety, accident prevention and driver education will be referred to a select committee of the Legislature for preparation of legislative recommendations to the assembly. The select committee on highway safety and accident prevention, proposed in today's motion, would fulfil that objective.

As House leader, I have found that there is an eagerness on all sides of the House to re-establish the select committee on company law, particularly with respect to a thorough review of law relating to insurance companies in Ontario. We hope the third select committee proposed on motion today will be the proper mechanism for that review.

Mr. Nixon: I thought we had done that.

Hon. Mr. Welch: Finally, Mr. Speaker, I would urge members of the House and interested members of the public to note that their interest in the matters before these committees should, for purposes of expeditious procedure, be directed to the Clerk of the Committee, c/o the Clerk of the House, Main Parliament Building, Queen's Park.

AID TO THIRD WORLD

Hon. W. Newman: Mr. Speaker, I am pleased to announce cabinet approval for the purchase of more than 355 tons of white pea beans to be donated to recognized Canadian international food distribution agencies for use in needy countries.

This gift from the Ontario people will go to the Ontario division of the Canadian Red Cross, the Mennonite Central Committee of Canada and the Unitarian Service Committee of Canada. These organizations will assume responsibility for distributing the food.

The beans will be purchased at \$13 per hundredweight from the Ontario Bean Producers' Marketing Board, for a total cost of about \$95,000.

White pea beans are high in protein content and in nutritional value.

I believe many of the members will recall that in 1973 approximately \$800,000 worth of white pea beans were purchased by the Ontario government from the Ontario Bean Producers' Marketing Board and donated to the Canadian Red Cross for world-wide food aid distribution.

While the government of Ontario believes that the government of Canada should be responsible for food aid policy and pro-

grammes on behalf of all Canadians, I believe the members will agree that the province should provide emergency relief assistance from time to time as circumstances warrant.

1976 MUNICIPAL DIRECTORY

Hon. Mr. McKeough: Mr. Speaker, I am tabling today the 1976 Municipal Directory. I think members are aware that this has been amended in several important ways to show the following: 1. The reeves of Ontario's county towns; 2. The directors of social services, planning, parks and recreation; 3. The area of the municipalities in acres; 4. Local boards such as conservation authorities, health agencies, school boards and planning boards.

The Municipal Directory continues to provide a concise reference to the programme responsibilities of the ministries of the government of Ontario, and to report on the following areas: Municipal populations and households by municipal classification; changes in municipal status; area and regional assessment offices; municipal associations.

Of particular interest and help, I think, to members of the House, is that each member of the House is listed by electoral district and alphabetical listing, and cross-referenced to the local municipality. It is something which was not in last year's directory because of the problems associated with redistribution but which is back in place again this year and which, from the point of view, I think, of all of us, is a great help indeed.

Mr. Nixon: A great step forward.

ONTARIO ECONOMIC COUNCIL

Hon. Mr. McKeough: Secondly, Mr. Speaker, I am tabling today the second annual report of the chairman of the Ontario Economic Council. Copies of the report have already been distributed to members of the House.

Those hon. members who have had time to study the 35-page report have no doubt been impressed with the extent and depth of the council's research and publishing. As you know, Mr. Speaker, this year the Ontario Economic Council produced six policy papers dealing with health, education, housing, national independence, social security and northern Ontario development in the Issues and Alternatives series.

In addition, the council published four working papers and several studies on the socio-economic impact of environmental poli-

cies, property crime, tariffs and science policies and energy price changes. This independent research body is under the very able chairmanship of Mr. G. L. Reuber.

I might add that when the council held its Outlook and Issues '76 conference in March, some 350 persons attended—among them many senior business, labour and academic leaders and several members of this House.

I hope the members will find this second annual report a valuable catalogue of resource material.

MUNICIPAL ACT AMENDMENTS

Hon. Mr. McKeough: Mr. Speaker, finally, I will be introducing today an Act to amend the Municipal Act in which there are a number of amendments to the Municipal Act to present to the House. Most of them are small changes designed to clarify legislation; others are to simplify procedures.

One specific change concerns the municipalities' borrowing and investment powers. Municipalities will no longer be required to issue all debentures in a set at one time. Also, at present, municipalities may invest only in United States securities issued by the United States government. A provision in the bill will allow them to invest also in those securities unconditionally guaranteed by the United States.

Another change concerns those persons who find themselves unable to run for municipal council because their name happens to be missing from the polling list. As members know, in the past this stipulation has resulted in some unfair disqualifications because the final date to get on the list, if one happens not to be on it, is the second Friday before nomination day.

We now propose that a person nominated as a candidate should be able to run if he or she has obtained the certificate issued under the Municipal Elections Act to persons qualified to vote but whose names have been omitted from the polling list.

Other amendments are included in the bill mainly at the request of the municipalities.

Mr. Speaker: Oral questions.

PRIVATE LABORATORIES

Mr. Lewis: Thank you, Mr. Speaker. I assume that this large cabinet turnout is in tribute to the first day's return to active duty on the part of the Minister of Health—

Mr. Renwick: It is nice to see his face here again and not the Attorney General's (Mr. McMurtry).

Mr. Lewis: I shall address to him a very moderate and non-controversial question. I am inclined to ask him how he feels and why is he here, but that aside—since we have been told that the Public Health Act, dealing with laboratories, has been delayed in the pursuit of second reading until June 8 next, are we right in believing that it is the intention of the ministry to make some amendments of a significant nature to that bill before it is proceeded with or while it is proceeded with? If that is so, can the minister indicate what influenced the decision?

Hon. F. S. Miller: Mr. Speaker, to answer the first part—why I'm here—I'm not sure. I only know that a member of the NDP caucus just sent me a safety pin which I'm wearing on my lapel because he saw me regularly in the hospital and that's all I had to hold myself together—ouch, it just got me, I shouldn't have trusted a safety pin from the NDP!

Mr. Breithaupt: They should have sent you the instructions with it.

Hon. F. S. Miller: I'm bleeding. As far as Bill 59 is concerned—I believe that is the proper number of the bill—certainly I am looking at the bill carefully and certainly I will not promise that there will be amendments to it. I am considering possible amendments to it but I'm afraid I can't say any more until I've had a chance to make the review. I have spent most of today doing just that.

Mr. Lewis: By way of supplementary: Since the private lab controversy continues in such central focus and two more doctors, I gather, were rebuked and had privileges withdrawn by the Ontario Medical Association, can the minister indicate the lines of his review, the lines of his inquiry without committing himself to the amendments?
[2:15]

Hon. F. S. Miller: Mr. Speaker, the actions taken by the college, as the member knows were under its own regulations and conflict of interest rule. Most certainly, as he knows, those were being firmed up long before I took ill. I had discussions with the college months ago on better regulations. I believe these have reached the point where very shortly they are going to be circulated to the other disciplines, as required by the Health

Discipline Act, for comment. I'd be pleased at that time to make them public to the opposition because we share a mutual interest in that aspect.

As far as the bill itself is concerned I want to achieve those things it's designed to do. I have read the statements of the Leader of the Opposition in Hansard and he felt it wasn't doing anything. I have to differ with him because we are trying to do, I think, the same things he wants us to do—that is to control the total number of licensed outlets in the province so that we don't have surplus unused capacity in the publicly-owned sector while the private sector is kept very busy.

I think that's the key purpose of the Act. I'm looking at ways and means of making sure that's done while being fair to all concerned.

MEMORANDUM ON RELEASING INFORMATION

Mr. Lewis: In stark contrast, Mr. Speaker, between clarity and discombobulation, I will address my next question to the Minister of Community and Social Services.

On May 19 last he issued an extensive memorandum to all the senior officials in his ministry on the matter of communication with the media. I genuinely find it a fascinating document making a heretofore unknown or at least undocumented distinction between information and intelligence; can the minister indicate whether this will be applied to other ministries in the way they handle potential or actual public information? Is this purely something within the Ministry of Community and Social Services? Does he feel that it corresponds with the COGP report recommendations?

Hon. Mr. Taylor: I'm glad the member asked that question. I was hoping he would have had a copy of the internal memorandum. As a matter of fact I've seen to it that there is additional money in my estimates for brown envelopes and Xerox equipment.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Taylor: The internal memorandum was to ensure that my staff conveyed matters of information freely and fully to the members of the public which would include, of course, the Leader of the Opposition and members of the political parties. I think we have to distinguish between information of

that type and editorial comment on policy matters under consideration and decisions which have been made, in some cases, by me. I would prefer to deal with it in terms of the interpretation of that decision, rather than leaving it to staff.

I think that's a responsible ministerial position to take. That's the position I've tried to enunciate, I hope clearly, as one who can distinguish between information and intelligence. It pertains only to my ministry. It was initiated by me and circulated by me.

Mr. Lewis: By way of supplementary, considering the fairly severe proscription on the sharing of what the minister calls intelligence with the media or the public as set out in the memorandum—rather rich for my blood, frankly, but apparently all right for his—can he indicate whether he thinks this kind of thing corresponds with the clear wish for greater sharing of information set out even by the recent Conservative convention in its request for elimination of secrecy?

Hon. Mr. Taylor: Absolutely, Mr. Speaker. The member mentions the word information and, of course, that's the service we're in. We want to make sure that, whatever programmes are available to the public, the public is fully conversant with them. If there's anything they require to know, I want to ensure that all our district directors and people in our 19 district offices make that type of information fully available to the public. That is distinguished, of course, from matters of policy which should be determined by me or responded to by me rather than having staff interpretations put on them.

Mr. S. Smith: In this interesting distinction between information and intelligence, would the minister regard it as intelligence worthy of being kept secret, if another minister in the cabinet were to say that group homes at \$65 a day are a great bargain to the public? If the Minister of Community and Social Services has in his possession a report from his own ministry pointing out that this is a ripoff, does he think that should be made public or is that a form of intelligence which is to be kept very quiet?

Hon. Mr. Taylor: I tried to define the difference for the member's assistance in case he didn't appreciate the distinction, but it's not a question of keeping anything secret at all. It's a matter of reserving to myself the prerogative of dealing in interpretive ways with policy decisions.

Mr. Reid: Be specific.

Mr. S. Smith: The minister is suppressing the report.

Hon. Mr. Taylor: There's a ministerial responsibility. I'll take that responsibility and I'll interpret my own decisions. I don't need the member or many thousands of people interpreting my statements for me, if they relate to policy.

Mr. MacDonald: In view of the presentation in that study paper at the annual meeting of the Progressive Conservative Party a week or so ago that there should be a sharing of this background information for purposes of letting the public share in the decision-making process, does the minister not think his definition of intelligence, in effect, is going to exclude the public completely and leave him acting in the role of God for the final decision?

Hon. Mr. Taylor: Not at all. I thought the definition was clear to ensure the opposite. I think the member will appreciate that it's very important to let the people we serve know what we're trying to do and to ensure that every help is there to disseminate that type of information.

Mr. MacDonald: But the public is excluded from the decision-making process.

Hon. Mr. Taylor: We have a very open party and we had a very open convention.

Mr. Nixon: That's the first one you've had in three years.

Hon. Mr. Taylor: We're very interested in the views of a broad sector of the public.

Interjections.

Mr. Speaker: Order, please.

HURONIA REGIONAL CENTRE

Mr. Lewis: I have a question of the Minister of Community and Social Services. Am I right in believing that there has been yet another unhappy incident at the Huronia Regional Centre within the last 24 hours? Can he indicate how his ministry intends to respond?

Hon. Mr. Taylor: Yes, there was an altercation there last night. I'm having a report made; we're currently studying it. I don't think it's something that I can speak about until I have a full report.

PICKERING AIRPORT

Mr. Lewis: I have a question of the Premier. Given the new and often contradictory positions taken by Mr. Lang federally and the unilateral decision on the financing of rail transit ultimately from Quebec City to Windsor, can he reaffirm in the Legislature his assurance that Pickering will not be resurrected as a second international airport? Can he indicate what discussions he's having about Malton with the federal government?

Hon. Mr. Davis: I can assure the hon. member it is not our intent to resurrect Pickering. We were very disappointed, as the minister indicated, I believe on Friday morning, at the statement from Ottawa. We were not disappointed on the Quebec City to Montreal route but at the fact it didn't extend into the Province of Ontario where we think there has been a greater need perhaps—certainly in the Toronto to Windsor corridor—and where there is the economic justification. I don't think there is any question that we'll continue to press this with Ottawa.

As far as Malton is concerned, I can't speak of any negotiations. I can just restate the position that I have taken, both as Premier of the province and as one who represents a constituency at the extremes of two runways, that we just will not support any runway expansion at that great international airport.

Mr. Lewis: By way of a supplementary, does the Premier feel he is being pushed, bullied, trapped, whatever the word is, into an effort to resurrect Pickering by the Lang statement on congestion, unsubstantiated as yet, at Malton and the trade-off with Mirabel? Is he as Premier drawn into these discussions?

Hon. Mr. Davis: I personally have not been involved in any discussions. There has been no communication that I know of. I think a certain amount of it is rumour at this stage. I don't feel we're being pushed or harassed at this moment.

Mr. Reid: Supplementary, Mr. Speaker: Can the Premier indicate, or does he know if there could be, in fact, more traffic at Malton? In other words, more take-offs and more landings handled by Malton as it is presently built, without any reconstruction or further expansion of the existing runways?

Hon. Mr. Davis: I am not an expert in matters of air transportation. I confine my limited knowledge to magnetic levitation, but—

Interjections.

Mr. Reid: That certainly puts it in perspective.

Hon. Mr. Davis: —in that I occasionally do fly into Toronto International Airport, not frequently, but I do fly in there on occasion. I know that at some times of the day there appears to be less traffic than at other times of the day. So, one can only assume that there could be more traffic if spaced properly during the course of the day.

Mr. Roy: That should be worth a medal for you. You will get another medal.

Mr. Speaker: Order, please. We are getting too many supplementary questions again; I think we should move on to another question. The hon. member for Hamilton West.

HAMILTON MATCH PLATE CO.

Mr. S. Smith: I also salute the return of the Minister of Health, Mr. Speaker, and greet him with a question. Is he familiar with the situation at the Hamilton Match Plate Co., about which a certain Dr. Newhouse wrote him on May 14 of this year? And can he, in fact, explain how it is that two employees of that very small company should be suffering from very significant lung disease due to asbestos and other fibres that are floating around in that place, and yet the inspections which have gone on have never, until this year, even mentioned the white powder that is in evidence everywhere, and the most recent inspection condemned the place and provided no suitable remedies?

Hon. F. S. Miller: I am not aware of the details, and I will have to get them before I comment.

Mr. S. Smith: Just by way of supplementary; since I visited the plants myself on the weekend and took a sample of dust that was on a horizontal frame—it was everywhere in the place—would the minister agree first of all to have this sample analysed for asbestos and other harmful asbestos-like fibres? And could he answer specifically the question of Dr. Newhouse, who says it is rumoured that there are only six inspectors available to the occupational health protection branch, that's excluding the mining inspectors? How many inspectors are, in fact, available? And does the minister consider this adequate for all the small businesses and small factories that exist in the Province of Ontario?

Hon. F. S. Miller: There are two different points there entirely, Mr. Speaker, and I think they need to be clarified.

First, I will gladly take the sample provided by the member, but I think it would be more important to have samples taken from the plant itself.

Second, there is a great shortage of properly trained people in the occupational environmental health field. My staff, while attempting to hire more, have found that this is a world-wide shortage, not just an Ontario one; you don't just create them overnight. It is going to take us some time to have enough properly trained experts.

The last point is this: The role of Health, as I see it, and as it is developing from the accord within ministries, is that we are an audit group, rather than the primary inspectors. It is our duty to ensure that proper inspections are being done, rather than being the inspecting agency of daily contact. I think that is a very important differentiation. And, therefore, our job is not to be going to every plant—which, obviously, hardly any number of inspectors would be enough to do—but to be able to verify that proper inspection techniques are being carried out, either by other ministries or by companies.

Mr. S. Smith: Just as another supplementary; it's a very vital point, it seems, Mr. Speaker. Do I understand the minister correctly to say that the occupational health branch of the Health Ministry makes no real effort and intends to make no real effort to carry out these inspections, but that some other agency of government or private agency will do so? In which case, would he please outline exactly how he is going to accomplish appropriate inspections in all the numerous dangerous industries in the Province of Ontario?

[2:30]

Hon. F. S. Miller: As the hon. member knows, we have carried out many inspections, sometimes at the prompting of members of this Legislature, and more often because members of my staff have had cause to suspect or return to a place. As I see it, the primary responsibility for inspection is with companies and other ministries, with us being responsible for making sure it is being done properly.

Mr. Lewis: Supplementary: In the case in question, can the minister table the various reports from the occupational health branch that resulted from the inspections over the last couple of years?

Hon. F. S. Miller: I'm not sure I can; I'll check to see if it's available.

Mr. S. Smith: I wasn't intending to pursue this matter, but did I understand the Minister of Health to say that he feels that these companies will be responsible for their own inspection? This company in particular has a handful of employees; it's a small, dingy place full of dust, and you can hardly walk in and see 2 ft in front of you. Does the minister seriously think they could carry on their own inspection process? Does that make sense to him?

Hon. F. S. Miller: Unless we want this to be a police state in which government inspectors sit in every company all the time, obviously industry has a major role to play in the monitoring of the working place. That's a basic responsibility, whether we have rules or not. It is government's job to double-check, insofar as it can, and that is our role.

Mr. S. Smith: Supplementary: Is it correct that the minister considers the possibility of making periodic, unexpected inspections of places and having the cost of these things applied as a form of tax, etc., on the various industries? It sounds to me like an absolutely revolutionary concept that the minister is coming up with, that places are simply to continue to create lung disease without any inspection process—

Mr. Speaker: Order, please. This is not a debate. The question was asked, I believe.

Mr. S. Smith: On a point of order, Mr. Speaker, I'm entitled to say, it seems to me—

Interjections.

Mr. Speaker: Order, please.

Mr. S. Smith: Will you please be as careful with some of the answers the Minister of Community and Social Services gives?

Mr. Speaker: Order, please. This is a question period, not a debating session.

An hon. member: He's being petulant.

Mr. S. Smith: Well, you are entitled to say some things, it seems to me. It is absurd.

Mr. Lewis: Are you answering?

Mr. S. Smith: Is the minister going to answer that one?

Hon. F. S. Miller: What was the question?

Interjections.

Mr. Lewis: May I continue with a further supplementary? In his reply, is the minister

changing the terms of the accord as they were enunciated, when it seemed as though the Ministry of Health was the ministry primarily responsible for occupational health matters and that it would inspect, as a matter of course, any environment which was actually or potentially hazardous?

Hon. F. S. Miller: No, I don't think we're trying to change the intent at all. I'm quite sure that in my absence certain discussions have gone on, of which I may not as yet be aware, between the ministries; and I know that when you try to make four ministries work together that previously had independent functions, not everything flows smoothly all at once. But I am the lead minister in this area; I am responsible, as I understand it, for supervising the setting of standards. I am responsible for ensuring that the working places are safe. This then goes down to two other levels, the Ministries of Natural Resources, Environment and Labour, which have inspectors in these working places more frequently than we do, on other matters; and in fact for the insistence that programmes of testing in places like the asbestos mines or Inco—you name it—are in fact going on by the company on an ongoing basis on the days we're not there as well as the days we are there. Now that as I see it, is my role.

We have the right also, as I see it, to make these inspections on request, when something such as the one just mentioned may be brought to our attention that has escaped inspection, or when we suspect not everything is according to Hoyle.

FUEL COSTS FOR GREENHOUSE OPERATORS

Mr. S. Smith: A question for the Minister of Agriculture and Food: Can he tell us whether the government has any intention of assisting Ontario's greenhouse growers to cope with the tremendous added burden of the fuel costs which they're facing? Many of them apparently are considering going out of business. Does the minister have any policy on this?

Hon. W. Newman: Mr. Speaker, I'm fully aware of the problems the greenhouse operators of the province are having today, with the importation of tomatoes from outside of the Province of Ontario. I can assure the hon. member that I'm very much concerned. Our ministry has a study going on right now on the way to save energy in the Province of Ontario. But might I just tell the hon. member that the only way we could stop the importation of tomatoes from coming in here

is at the federal level, and if they don't do something about it our tomato growers in the greenhouse operation are in serious trouble.

Interjections.

Hon. W. Newman: Well, good. Why don't you do something about it with your friends down there?

Mr. S. Smith: I agree with you, but what about the fuel costs?

Mr. Speaker: Order, order. The member for Essex South with a supplementary.

Mr. Mancini: In view of the fact that the minister has already met with the greenhouse growers from Essex county, and in view of the fact that they've already submitted briefs, why doesn't the minister act on those briefs instead of always blaming the federal government? Act on them yourself!

Hon. W. Newman: Mr. Speaker, it's just too bad. I'd just like to say to the hon. member opposite, he knows full well we have set up a special committee within my ministry—

Mr. Nixon: Another committee?

Hon. W. Newman: —and including other ministries, to deal with the General Agreement on Tariffs and Trade; and if he's not aware of GATT and the problems it's creating for the Ontario agricultural industry, he should be aware of it.

Mr. Reid: By the time you get through, there won't be a greenhouse left in the Province of Ontario.

Hon. W. Newman: Mr. Speaker, we have been requesting a meeting with Ottawa for months to discuss this matter. We now have a date set. We're not sure how many ministers can come to Ottawa, and we're very anxious to meet with them and discuss not only this problem but all the problems of the General Agreement on Tariffs and Trade. I'm not passing the buck at all and the hon. member full well knows the fact.

Mr. Gaunt: Supplementary: Does the minister have any programmes to help the greenhouse growers cope with their increasing input costs?

Mr. Nixon: Which is what the question was all about.

Hon. W. Newman: Mr. Speaker, we are fully aware of their increased costs, primarily fuel costs. There are no taxes levied by the Province of Ontario on the fuel they use. We're talking about federal tax. Yes, we have

been in touch with Ottawa about the fuel taxes.

We are concerned about the future of the greenhouse operators in this province and certainly intend to pursue the matter even further.

Mr. Nixon: Why don't you set up a committee then?

CCH CANADIAN LTD.

Mr. S. Smith: A brief question for the Minister of Labour: In view of the verbal ruling of the Ontario Labour Relations Board last week instructing CCH Canadian Ltd., which prints Hansard, to resume negotiations with the Toronto Typographical Union, and in view of the fact that the company has so far refused to do so, will the minister please personally issue instructions to the company to bargain in good faith, as directed by the Labour Relations Board?

Hon. B. Stephenson: Mr. Speaker, I hope that the hon. leader of the Liberal Party is aware that this was not, in fact, a direction issued by the Labour Relations Board. The Labour Relations Board has not completed its inquiry into this matter at the moment. At the end of the session on Wednesday, it was suggested, sotto voce actually, to both parties that they, in fact, begin to discuss this matter again before the next hearing of the Labour Relations Board, and the Labour Relations Board will be meeting with both parties on Friday of this week.

We have submitted to each party the statement that we would be pleased to be of service to them in bringing them together for discussions before the meeting on Friday if they so wish.

Mr. Bounsall: Supplementary: With this company still refusing to meet with the Ministry of Labour mediator who is standing by ready to be called, will this minister see that no information from the Province of Ontario, including reports from her own labour relations branch, flows to that company until it at least starts bargaining in good faith?

Hon. B. Stephenson: Mr. Speaker, as I have said, we have informed both parties that we will be very happy to be of service to them. We stand ready to do this and we are still awaiting the decision of the Labour Relations Board, which has not as yet been handed down and won't be before Friday of this week.

Mr. Singer: Did you do that sotto voce too?

Hon. B. Stephenson: Only for you, Vern.

Mr. Nixon: Vern is an expert on sotto voce.

BROWNDALE OPERATIONS

Mr. S. Smith: Will the Minister of Health now give us a firm date for a report on Browndale and the tabling of the audit, and given the vast sums of tax money flowing to Brown Camps residential and day schools through property leases and a highly questionable management contract—over \$1 million each year, I would imagine—will he report on how our money is expended at that level?

Hon. F. S. Miller: Mr. Speaker, that's one of the issues I have to get more information on. I know that a meeting was held last week between representatives of Browndale and the acting minister. I know that questions were asked in that regard and we're waiting for certain answers. I'll be able to answer this more specifically when my staff has been able to bring me up to date.

HOSPITAL BED SHORTAGE

Ms. Gigantes: Mr. Speaker, a question to the Minister of Health: I would like to remind the Minister of Health of his promise in November that we would have 200 additional chronic care beds in the Ottawa-Carleton region, advise him that it looks like we will have only 43 by the promised deadline of June, and ask him what he intends to do about his old promise?

An hon. member: A good question.

Hon. F. S. Miller: Mr. Speaker, I read a summary of the Ottawa situation during the weekend in which I recall that a number of other locations—Perley Hospital and Montfort Hospital—have made recommended changes in the chronic bed count bringing them up to close to that. We are negotiating with Civic, I think on its Westlawn pavilion, for 120 beds. One of the questions will be that of funding and we are working on that right now.

Ms. Gigantes: A supplementary: Is the minister's failure to meet his promise of 200 beds by June in any way connected with the fact that his ministry is reluctant to close

down the abominable MacLaren House Nursing Home in Ottawa?

Hon. F. S. Miller: No.

Mr. Roy: A supplementary: Does the minister not realize the importance of expedition in having these chronic care beds in Ottawa because major hospitals in Ottawa—for instance, the Ottawa General—are losing many hospital days because chronic care patients are taking up active care beds and it is very difficult for those hospitals to meet his criteria about cutbacks in spending?

Hon. F. S. Miller: Yes, I am aware of that, Mr. Speaker. I saw flow sheets showing, let's say, the appropriateness of the location of patients in Ottawa. I am recalling a figure I saw only once—I think there were 202 patients on a given day in Ottawa who could have been in facilities other than active treatment beds. Interestingly enough, at the same time there were about 190 patients in nursing homes who could have been elsewhere, too.

PARKWAY BELT WEST

Mr. Reed: I have a question for the Minister of Government Services. Would the minister tell the House whether or not Kraft Food Holdings in the parkway belt west has been given governmental approval for development and, if so, when was the decision made?

Hon. Mrs. Scrivener: I am not aware of such a decision, Mr. Speaker.

Mr. Reed: A supplementary: Does this mean that items in the Toronto Star of May 13, the Malton Pilot of May 20 and the Mississauga News of May 19, are false?

Mr. Angus: There goes your Liberal research again.

Hon. Mrs. Scrivener: Mr. Speaker, I think perhaps that question would be better directed to the Treasurer (Mr. McKeough).

Mr. Reed: Supplementary—

Interjections.

Mr. Speaker: Order, please. I think we will have to allow the original minister to bring back the answer to the first question. A supplementary at that time might be appropriate.

Mr. Reed: I will redirect.

Interjections.

Mr. Lewis: That's Kraft Foods, Darcy.

Mr. Reed: Should I begin again?

Mr. Speaker: The member for Halton-Burlington may redirect it to the Treasurer.

Mr. Reed: To the Treasurer; would the Treasurer please tell the House—

Mr. Speaker: Order, please—we can't hear the question.

Hon. Mr. Rhodes: You are going to lose the account. No more crackers and cheese commercials.

Mr. Reed: Would the Treasurer please tell the House whether or not Kraft Food Holdings in the parkway belt west has been given government approval for development and, if so, when was the decision made?

Hon. Mr. McKeough: The answer is yes, Mr. Speaker. I am afraid I can't give the member the precise date but I would think it was probably a month or so ago.

Mr. Reed: Supplementary, Mr. Speaker.

Mr. Speaker: A final supplementary.

Mr. Lewis: That's the first supplementary.

Mr. Reed: Does the Treasurer communicate with the Minister of Government Services on this matter of the parkway belt west, in view of the fact that I received a letter from her on March 8 stating categorically that there would be no development of Kraft Holdings in the parkway belt west?

Mr. Stong: Not if he can help it.

Hon. Mr. McKeough: That presumably would be the property it previously owned—where approval has not been given for it to develop. Part of that property is being acquired by Ontario Hydro, as I recall. I think substantially the letter written by my colleague on March 8 and probably referring to the previous Kraft property, if I can put it that way, would be essentially correct.

[2:45]

Mr. Lewis: Supplementary: Since the government has now granted exemptions to Shell—

Interjections.

Mr. Speaker: Order, please. I think we will allow a supplementary.

Mr. S. Smith: It's only final from this side of course.

Mr. Lewis: Since I recall that the government has granted these development privileges or exemptions for Shell now and for Kraft, are there any other major companies under negotiation in the parkway belt west for which government approval is sought?

Hon. Mr. McKeough: I don't know what my friend means by "major" particularly. There have been a number of amendments to the parkway belt plan. They go forward, though not on a regular basis. We aren't as concerned as my friend is with the size of the company. We treat little people and big people all the same, which is something they should try to do over there.

Mr. S. Smith: You are in trouble.

Mr. Lewis: Whenever the Treasurer has to answer, he resorts to hysteria.

Hon. Mr. McKeough: Whenever you don't have the answer you go after something big.

Interjections.

Mr. Speaker: Order, please. We are wasting valuable time.

Interjections.

HAMILTON PSYCHIATRIC HOSPITAL

Mr. Mackenzie: To the Minister of Labour: Is the minister aware of the fear of many of the employees of the Hamilton Psychiatric Hospital that when a change takes place, taking hospital employees out from under the Crown Employees Collective Bargaining Act and placing them under a municipal board such as the Chedoke board and consequently under the Labour Relations Act, they could lose their benefits? Is the minister prepared to grant successor rights to the employees in the event this takes place?

Hon. B. Stephenson: I am sure that this will be very carefully looked at in such a transfer.

Mr. Mackenzie: Supplementary: Will the minister inform this House as to whether the change to such a municipal board will take place while this House is in session, or will it take place after the House has risen?

Hon. B. Stephenson: It is my understanding that this entire matter is now in the hands of the Hamilton and Wentworth district health council and that they are considering the re-arrangements within the health care system

in that area. It will be upon their recommendation that any action is taken by the Ministry of Health and certainly by the Ministry of Labour.

Mr. Speaker: We will have a final supplementary on this.

Mr. Deans: Supplementary: Why would the minister not make it part of the negotiations and ultimate settlement that those employees are protected rather than to take it under advisement or give it some consideration? Why doesn't she just make that a matter of course?

Hon. B. Stephenson: This was a proposal which has been made in the past and which has been accepted and rejected several times. It has come up again as a result of the recommendations of the district health council. It will certainly, I am sure, be discussed with the Ministry of Health people and, at that time, we shall look at it seriously.

PORNOGRAPHY CHARGES

Mr. Roy: A question for the Attorney General: In view of the warrants issued against people in the Maclean-Hunter organization under section 159 of the Criminal Code, dealing with pornographic material, and in view of the concern by police forces right across this province that organized crime might be some of the main beneficiaries from the profits of this type of trade, would the minister confirm that one of the firms involved, Capital Distributing, and the Santangelo people are in fact people who are known or suspected by the police to have some association with organized crime?

Hon. Mr. McMurtry: I am in no position to make any such acknowledgement at this time. All I know is that the company referred to by the hon. member has been charged. I have no specific information that would indicate there are any specific links with organized crime, as stated by the member.

Mr. Roy: Supplementary: Isn't it a fact that there's strong suspicion on the part of the police that organized crime is one of the main beneficiaries from the profits of this distribution? Secondly, in view of the fact that some of the people against who warrants have been issued were originally charged in Ottawa in 1973, and that there are now Canada-wide warrants against two of these people, Peter and Victor Santangelo, what steps has the minister taken for the extradi-

tion of these people to face charges pending in Ottawa?

Hon. Mr. McMurtry: First of all, as a further response to the earlier question, our information with respect to the involvement of organized crime in the distribution of obscene material is related almost entirely to firms carrying out business in the United States.

With respect to the matter that my friend, the hon. member for Ottawa East raises in relation to possible extradition, I will check on the matter, but I don't believe that this is an offence which is covered by the extradition treaty between Canada and the United States. I could be mistaken, but my belief at the moment is that it is not. I'll look into that and report back to the House.

MERCURY POLLUTION

Mr. Bain: I have a question for the Minister of the Environment. As it's almost a year since the Ministry of Natural Resources and this ministry undertook studies of Lake Timiskaming, which culminated in the Minister of Health releasing a statement that cautioned people not to eat the fish from Lake Timiskaming, when is this government going to undertake steps that will clean up the old mill sites in the Cobalt-Coleman area, which are a contributing factor to the pollution in the lake, the mercury entering the lake via Crosswise Lake and Farr Creek. As well, will he undertake a cleanup of Farr Creek and Crosswise Lake?

Hon. Mr. Kerr: Those old mill sites, as the hon. member refers to them, are a problem. In some cases we have difficulty associating the particular company with the site, and thereby enforcing control orders or cleanup orders. This ministry itself is doing what it can to stop the leaching from those sites which, in fact, have contributed to some of the conditions of fish in Timiskaming. We're continuing on with that cleanup as funds are available, but the problem is to get the companies that were there, or may still in some way be involved in that area, to make the necessary expenditures.

Mr. Bain: Supplementary: I'm sure the minister is aware that many of the companies no longer exist. Therefore, is the government willing to accept some of the responsibility, whether financial or otherwise, to ensure that the cleanup takes place? Also, will the ministry enter into some research that will eventually yield the technology that would take the mercury out of the lake itself? I'm sure

the minister would probably say that the technology does not presently exist to take the mercury out of the lake itself, so will he also undertake some research that would yield a method of taking the mercury not only out of Lake Timiskaming, but out of the other water bodies in this province that are contaminated?

Hon. Mr. Kerr: There's a possibility that in northwestern Ontario an effort will be made to remove some of the mercury from bottom muds in those rivers where the situation is even worse than Timiskaming. This is a very dangerous type of move in many respects, and the research isn't complete. I agree that we need more research.

Mr. Singer: Oh, what a discovery!

Hon. Mr. Kerr: But you may be disturbing the bottom muds, and that in some way will make the condition worse than it is now.

On the first part of the hon. member's supplementary, it's a matter of money. In those areas where the company no longer exists, where we have to clean up as a result of analysing the conditions and the fish in the water there, it's a matter of applying the necessary funds to systematically clean up those old tailings areas.

Mr. Singer: Supplementary: Would the minister not admit that there is no method known to science that can remove mercury pollution from a river with a muddy bottom? That was absolutely established after he began to look at the suit against Dow Chemical. So if the minister can't do it in the St. Clair River system, how can he do it up north?

Hon. Mr. Kerr: Mr. Speaker, I am not aware of any such thing.

Mr. Singer: Ask your deputy.

Hon. Mr. Kerr: As a matter of fact, in some rivers in Scandinavia they have dredged mercury mud.

Mr. Singer: Absolutely not.

Hon. Mr. Kerr: They have. I can get that information for the hon. member.

Mr. Singer: I wish you would tell your lawyers about it, too, because they don't know.

Mr. Roy: I think the minister is being provocative.

Mr. Speaker: Order, please.

Hon. Mr. Kerr: It wasn't recommended for the St. Clair region for a particular reason,

that's right, because of current and other things, but it has been done and it has been done successfully.

CLOSURE OF ARENAS

Mr. Gaunt: Mr. Speaker, I have a question for the Minister of Labour. What Act and which section thereunder is the government using as its authority to close arenas across the province?

Hon. B. Stephenson: Mr. Speaker, this is under the Construction Safety Act, as a matter of fact. The arenas were first examined in 1971 and directions were left with a number of arena boards of management. In 1972 the inspections were again carried out; the same directions were left. The areas in which the arenas have been closed have been notified yearly until 1975.

In 1975, because of new information regarding snow load and their ability to withstand wind, it was suggested that most of these 19 arenas were entirely unsafe—and it was felt that it would be extremely unwise for any of the municipalities to continue to use them should any such thing as a heavy snowfall and a windstorm occur at the same time. Therefore, under that Act, directions were sent to each of the arenas asking them to carry out an inspection and to give us their own inspector's report regarding the arenas. It was when we received those reports and they were unsatisfactory that the arenas were ordered closed.

Mr. Reid: Why did you wait until the winter was over?

Mr. Gaunt: A supplementary: Could the minister indicate the section under the Construction Safety Act which gives that authority? Secondly, would the minister consider that the National Building Code snow-load requirement of 75 lb per square foot is rather onerous and unnecessary?

Hon. B. Stephenson: To answer the second question, Mr. Speaker, I really do not think so because we are considering public safety in these buildings and I think that is the issue of prime importance.

To answer the first question, I shall find out the exact section and let the member know. I don't know.

Mr. Reid: One quick supplementary, Mr. Speaker. Why did the minister wait until the winter was over before she—

Mr. Speaker: Order, please. I believe the hon. member for Erie had a brief supplementary, too.

Mr. Good: What about summertime use?

Mr. Breithaupt: Will the minister allow summertime use?

Mr. Speaker: The oral question period has expired.

Petitions.

Presenting reports.

Hon. Mr. Welch presented the report of the Ontario Heritage Foundation for the year ending March 31, 1975.

Mr. Speaker: Motions.

MOTIONS RE SELECT COMMITTEES

Hon. Mr. Welch moved that a select committee of the Legislature on truck transportation on Ontario highways be appointed to examine, investigate, inquire into, study and report on all matters pertaining to the transportation in Ontario of goods on Ontario highways, including all matters affecting or pertaining to the shippers of goods and the transporters of goods, whether for gain or not for gain, the regulatory process and the public interest in general, and, without restricting the generality of the foregoing, including all matters relating to the following:

In present-day circumstances, the types and quality of highway transportation services offered to and used by the shipping public;

the effectiveness of the existing highway transport industry, both private and for-hire, to meet the needs of shippers and the public;

the ability of the highway transport industry to respond to changes in shippers' needs;

the registration of commercial vehicle ownership under the Highway Traffic Act of commercial vehicles used in highway transportation services;

the impact of the growth in the use of owner/operators, brokers, leasing companies, driver pools on the highway transport industry and the highway transportation services to the shipping public;

the impact of the present-day regulatory process as it affects the public interest, shippers and carriers;

the effectiveness of the test of public necessity and convenience as a device to regulate entry and its capability of uniform application;

the relationship and impact of fleet size of individual operators to the application of a

principle of control of entry into the for-hire trucking industry;

the system of classifying carriers in relation to types of commodities, routes or types of vehicles as opposed to general classification of common or contract carrier;

[3:00]

the extent to which commodities exempted from regulation should be expanded or contracted; the impact of rate filing, rate control and rate bureaus; the effectiveness of the judicial process as it applies to highway transportation licensing legislation to achieve compliance of regulatory requirements;

the investigatory powers necessary to enforce the statutory and regulatory requirements in the courts; the effect of amending sections 10 and 11 of regulation 418 under the Highway Traffic Act to expand or further restrict the terms of reciprocity therein set out and including the benefits to Ontario residents in acquiring such reciprocal rights in other Canadian and American jurisdictions;

the impact of applying fuel tax and sales tax to non-resident owners of commercial vehicles operated in Ontario under reciprocal rights;

and such other matters as may be referred to the committee by the Minister of Transportation and Communications (Mr. Snow); and to make such recommendations as are deemed advisable with respect thereto and to submit an interim report to the assembly not later than Sept. 30, 1976 and a final report not later than Dec. 31, 1976;

and that the select committee have authority to sit during recesses and the interval between sessions and have full power and authority to employ counsel and such other personnel as may be deemed advisable and to hold meetings and hearings in such places as the committee may deem advisable and to call for persons, papers and things and to examine witnesses under oath, and the assembly doth command and compel attendance before the said select committee of such persons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations, for which the hon. the Speaker may issue his warrant or warrants;

and that the said committee is composed of 13 members as follows:

Mr. Gregory, Chairman; Messrs. Angus, Belanger, Cunningham, Drea, Grossman, Lane, Lupusella, Moffatt, Philip, Reid (Rainy River), Smith (Nipissing) and Villeneuve.

Mr. Lewis: I would say that is a good committee.

Mr. Speaker: I should bring to the attention of the House that this is a substantive motion requiring notice, and we need unanimous consent of the House to place the motion without the due notice.

Motion agreed to.

Mr. Reid: Mr. Speaker, I wonder if I could just ask a point of clarification. I don't know if the House leader can answer or not. Is this inquiry also including the dump truck segment of the industry?

Hon. Mr. Welch: That was my understanding.

Mr. Nixon: Notwithstanding the generality.

Hon. Mr. Welch moved that a select committee of the Legislature be appointed to continue the inquiry and the review of the law affecting the corporations in this province as reported on by the select committee of this House appointed on June 22, 1965, and re-appointed on July 8, 1966, on July 23, 1968, and Dec. 17, 1971, and to, in particular, inquire into and review the law relating to the business of insurance companies in the province, including, but not restricted to;

(a) the incorporation, licensing, regulation and supervision of insurers as joint stock companies, mutual corporations, fraternal societies, mutual benefit societies, exchanges, syndicates of underwriters and rating bureaus, carrying on all classes of insurance business in this province, mergers, amalgamations and reinsurance of liabilities, reporting to shareholders, policy holders and members their solvency, liquidity and financial requirements, the purposes, scope and functions of their returns, reports, factual gatherings, and the basis for their rates and premiums;

(b) automobile insurance contracts and in particular the provision of accident benefits, fire insurance, life insurance, accident and sickness and marine insurance contracts and generally insurance contracts in this province;

(c) the licensing, regulation and supervision of insurance agents, brokers and adjusters;

(d) the marketing of insurance in this province;

and that the select committee have authority to sit during recesses and the interval between sessions;

and have full power and authority to employ counsel and such other personnel as may be deemed advisable, and to hold meetings and hearings in such places as the committee may deem advisable, and to call for

persons, papers and things and to examine witnesses under oath;

and the assembly doth command and compel attendance before the said select committee of such persons, and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations for which the hon. Speaker may issue his warrant or warrants;

and the said committee be composed of 13 members as follows: Mr. Singer, chairman; Messrs. Breithaupt, Bullbrook, Germa, Hodgson, Johnston (St. Catharines), Laughren, Lawlor, Renwick, Shore, Smith (Simcoe East), Grossman and Yakabuski.

Motion agreed to.

Mr. Lewis: It should be said that with Yakabuski and Johnston, the committee itself will need insurance, Mr. Speaker. I wish you well.

Mr. Roy: The Tories are going to make a great contribution to that committee.

Hon. Mr. Welch: Mr. Speaker, I wonder if I might draw attention to an error I made in the preceding motion. With the consent of the House, may I substitute the name Williams for Grossman on the select committee studying trucking on Ontario highways?

Mr. Speaker: Agreed? So corrected.

Hon. Mr. Welch moved that a select committee of the House be appointed to study the overall question of highway safety in all of its phases, including the problems associated with drinking and driving, methods of accident prevention now in general use, driver education in the school system, and public education; and to examine and consider any proposal designed to reduce the number of highway accidents submitted to the committee and to report on methods to achieve greater safety on the highway; more particularly, such matters as:

the regulation and control of traffic through enforcement; stricter enforcement of the laws that pertain to drinking-driving offences for all ages; driver examination and licensing standards; driver improvement and rehabilitation, including the demerit point system and traffic clinics (North York Traffic Tribunal); an assessment of potential benefits of photos on non-counterfeitable drivers' licences, and methods of implementation and administration; an assessment of benefits of the vehicle registration and title system;

an assessment of benefits of Ontario's motor vehicle inspection programmes; the transpor-

tation of children to and from school and the vehicles and their drivers; the licensing of driving schools; equipment standards for tow trucks; operation of multiple vehicle combinations (truck trailers); the benefits of the application of a penalty against any person who leaves keys in the ignition lock of an unattended motor vehicle; the most appropriate type of helmet for moped riders, and such other matters as may be referred to the committee by the Minister of Transportation and Communications (Mr. Snow);

and to submit an interim report to the assembly not later than Sept. 30, 1976, and a final report not later than Dec. 31, 1976;

and that the select committee have authority to sit during recesses and the interval between sessions;

and have full power and authority to employ counsel and such other personnel as may be deemed advisable, and to hold meetings and hearings in such places as the committee may deem advisable, and to call for persons, papers and things and to examine witnesses under oath;

and the assembly doth command and compel attendance before the said select committee of such persons, and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations for which the hon. Speaker may issue his warrant or warrants; and that the said committee be composed of 13 members as follows:

Mr. Young, chairman; Messrs. Bounsall, Drea, Ferrier, Givens, Johnson (Wellington-Dufferin-Peel), Kennedy, Maeck, McCague, Mackenzie, Nixon, Norton and Riddell.

Motion agreed to.

Mr. Speaker: Introduction of bills.

MUNICIPAL AMENDMENT ACT

Hon. Mr. McKeough moved first reading of bill intituled, An Act to amend the Municipal Act.

Motion agreed to; first reading of the bill.

Mr. Speaker: Does the hon. Treasurer have an explanation?

Hon. Mr. McKeough: No.

LIVE STOCK COMMUNITY SALES AMENDMENT ACT

Hon. W. Newman moved first reading of bill intituled, An Act to amend the Live Stock Community Sales Act.

Motion agreed to; first reading of the bill.

Hon. W. Newman: Mr. Speaker, this amendment is to offer our inspection services at the community sales in the Province of Ontario.

ANSWER TO WRITTEN QUESTION

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, I wish to table the answer to question No. 3 standing on the notice paper. (See appendix, page 2610.)

Mr. Speaker: Orders of the day.

Clerk of the House: The second order, House in committee of the whole.

HIGHWAY TRAFFIC AMENDMENT ACT

House in committee on Bill 25, An Act to amend the Highway Traffic Act.

Mr. Chairman: This is the bill that was referred back for amendments. The Attorney General (Mr. McMurtry) indicates that he has an amendment to section 3. Is there anything in the bill prior to section 3?

Sections 1 and 2 agreed to.

On section 3:

Hon. Mr. Snow: Mr. Chairman, if I just might make sure that there is no misunderstanding. As I'm sure all members of the House know, this bill did go through committee and before it received third reading, the House agreed to have the bill revert to committee so that certain considerations could be given to amendments that were made previously. In the meantime, in addition to certain amendments that Mr. McMurtry has relating to the suspension aspect of the bill, I have two very minor amendments, when we come to them, one for section 17 and one for section 20.

[3:15]

Mr. Chairman: Yes, all right. Mr. McMurtry has an amendment to section 3.

Hon. Mr. McMurtry moves that section 3 of the bill be amended by adding at the end of subsection 1 of section 20 as set out therein:

Provided that where an order has been made before April 26, 1976, under subsection 1 of section 238 of the Criminal Code (Canada) prohibiting a person from driving a motor vehicle for any longer

period, the licence shall remain suspended during such longer period.

Mr. Renwick: Mr. Chairman, we are in agreement with the amendment proposed by the member for Eglinton, the Attorney General.

Mr. Reid: Will this be the last time?

Mr. Breithaupt: Mr. Chairman, I confirm as well our agreement with this. The matter had been discussed by the Attorney General with members of the other two caucuses. It would appear that this amendment continues what the law was before the repeal of the section; that is the apparent intention and wish of the members of the House and we agree with the amendment.

Motion agreed to.

Mr. Chairman: The hon. minister has another amendment, I believe, to the same section.

Hon. Mr. McMurtry moves that section 3 of the bill be amended by renumbering subsections 4 and 5 of section 20 as set out therein as subsections 5 and 6 and by adding thereto the following subsection:

4. Where a person pleads guilty to or is found guilty of an offence referred to in subsection 1 and an order directing that the accused be discharged is made under section 234, 236 or 662.1 of the Criminal Code (Canada), this section applies in the same manner as if the person were convicted of the offence.

Do all members of the committee have a copy of that amendment? Is there any discussion on it? The hon. member for Riverdale.

Mr. Renwick: Mr. Chairman, I want to try to clarify the problem which occurred when this matter was before the House earlier, when the bill went on to the order paper for third reading and when the members of all of the parties agreed it should be reinstated.

What I was concerned about in the deletion—and now the reinstatement answers my problem—was that as I understand it, the effect of the reinstatement is simply to say that if a person, for very good reason—he has no other record and is a man of exemplary character like the Attorney General or me—

Mr. Reid: That destroys the argument.

Mr. Renwick: —happens perhaps to have had one too many and made the mistake of

driving his car, it would still be open for the presiding magistrate, the provincial court judge in the criminal division of the province, to say simply, "All right. I am going to grant you an absolute discharge or a conditional discharge with the full knowledge that really all I am interested in is not your having a criminal record but your staying off the roads for the period of time prescribed by the Highway Traffic Act."

I was concerned, when the bill was reported out of committee, that the deletion of the clause removed that option available to a provincial court judge exercising his criminal jurisdiction. I would like the Attorney General to confirm that that is his understanding of what this reintroduction or reinstatement of this section does.

Hon. Mr. McMurtry: Yes, that is my understanding, Mr. Chairman. I think it will give the provincial court judge, in effect, a greater discretion because, as was discussed with the hon. member for Riverdale, there are cases in which a provincial court judge, for very good reason, could believe that an absolute discharge would be appropriate but would be reluctant to do so if he or she thought that the licence suspension would not follow. That is my understanding; it's simply the same as that of the hon. member for Riverdale.

Mr. Worton: As a layman, I interpret this to mean that if a person is convicted for impaired driving and the judge so wishes, he will have the opportunity or his discretion will be used to grant that licence for work purposes, or am I confused on this?

Hon. Mr. McMurtry: No. This has nothing to do with the concept of intermittent driving privileges. This is a matter that was indicated by various members of the House might well be discussed in the future just what the policy should be with respect to giving the provincial court judges the power to grant intermittent driving privileges. But this has nothing to do with that.

Mr. Worton: It has nothing to do with it. All right, thank you.

Motion agreed to.

Section 3, as amended, agreed to.

On section 4:

Mr. Chairman: The hon. Attorney General has an amendment to section 4.

Hon. Mr. McMurtry moves that section 4 of the bill be amended by adding to section 24 as set out therein the following subsection:

(2) Where a person pleads guilty to or is found guilty of an offence referred to in subsection 1 and an order directing that the accused be discharged is made under section 662.1 of the Criminal Code (Canada), this section applies in the same manner as if the person were convicted of the offence.

Do members have a copy of that? Any comment on it?

Mr. Renwick: I think again just for the record the reinstatement of this particular subsection has the same effect as the one we've just dealt with. It would permit a judge to exercise his discretion, if he saw fit, of granting an absolute or a conditional discharge with the full knowledge that the driving suspension under the Highway Traffic Act would remain effective.

Hon. Mr. McMurtry: That's my understanding.

Motion agreed to.

Section 4, as amended, agreed to.

Mr. Chairman: The hon. Minister of Transportation and Communications indicated he had an amendment on section 19.

Hon. Mr. Snow: Section 17, Mr. Chairman.

Mr. Chairman: I have section 19 and section 20.

Hon. Mr. Snow: Section 17 and section 20.

Mr. Chairman: Oh I'm sorry. But we don't have a copy of that.

Sections 5 to 18, inclusive, agreed to.

On section 19:

Mr. Chairman: Hon. Mr. Snow moves subsection 1 of section 120(a) of the Act as set out in section 17 of the bill be amended by striking out "or a school board" in the third line.

Do all members of the committee have a copy of Mr. Snow's amendment? Any comment on it?

Mr. Renwick: Yes, I would like an explanation.

Hon. Mr. Snow: This amendment is being made to remove any possible misunderstanding as to the relationship between municipalities, school boards and school crossing guards. This amendment is at the request of the Minister of Education (Mr. Wells). The school crossing guards are employees of the municipality, not the board of education. The board of education does not employ school

crossing guards. The Minister of Education has asked for this minor amendment.

Motion agreed to.

Mr. Chairman: Mr. McMurtry has a further amendment to section 19.

Hon. Mr. McMurtry moves that the bill be amended by renumbering sections 19, 20 and 21 as section 20, 21 and 22 and by adding thereto the following section:

19. Section 150 of the said Act is amended by adding thereto the following subsection:

1a Where a person pleads guilty to, or is found guilty of an offence under the Criminal Code (Canada) referred to in subsection 1, and an order directing that the person be discharged is made under sections 234, 236 or 662.1 of that Act, the provincial judge or justice of the peace who makes the order or the clerk of the court in which the order is made shall forthwith certify the order to the registrar setting out the name, address and description of the person discharged by the order, the number of his operator's or chauffeur's licence, the number of the permit of the motor vehicle with which the offence was committed, the time the offence was committed and the provision of the Criminal Code (Canada) contravened.

Do members of the committee have a copy of that?

Mr. Lawlor: I'm just wondering, on these amendments having to do with absolute discharges and conditional discharges, has the Attorney General any statistics as to the number of discharges of that nature directed to crimes of that nature, particularly the one with respect to driving with ability impaired by drugs or an alcoholic beverage? My feeling is, and I don't practise in courts to the same extent that I once did, but it's ruddy hard, if you're pleading guilty to having 1.7 alcoholic content in the blood stream, to get a judge to exercise that sort of clemency. Are we going to great lengths over very little indeed?

Hon. Mr. McMurtry: Mr. Chairman, I do not have any statistics and I suspect there are relatively few cases where the clemency referred to by the hon. member for Lakeshore is indeed exercised. I think the point that has been made by his colleague, the hon. member for Riverdale, is a valid one; namely, that in this type of offence the suspension is the key element in the punishment and that for certain reputable citizens, it was felt by the member for Riverdale, and I share his view,

that justice would be served by effecting the suspension that is desired without, in certain circumstances, giving the individual a criminal record.

Certainly in the absence of this provision it would be unlikely, even in the most proper case, that a provincial judge would be so inclined to exercise his discretion, because of the fact that a suspension would not follow. The purpose of reintroducing these sections into the bill—and I might say the matter of the reintroduction was initiated by the hon. member for Riverdale—was to give the provincial court judge exercising the jurisdiction of a magistrate some degree of discretion in this respect. That is the purpose for reintroducing these sections into the bill, and in my view it's a purpose that's quite worthwhile.

Mr. Lawlor: Mr. Chairman, while I must concede—I suppose concede—the overall merit of reintroduction of the sections, I don't want to let this opportunity pass to show the independence of spirit and the integrity of purpose I exercise vis-à-vis my own colleagues in this particular regard. It seems to me we are beholding, in the Legislature today, a Janus-faced god, a god who looks in two directions at the same time. He renders clemency with his right hand and he takes it away with his right—with his left, rather. I don't care; take what hand you please, but they're going in opposite directions.

There won't be a criminal conviction, that's a blot on the escutcheon; but you'd take away the bloody licence indefinitely, because that's really where the gravamen of the offence lies. Why not just turn the god around? It's not January, it's almost June.

Mr. Roy: Mr. Chairman, I beg your indulgence. I take it we're discussing sections 3 and 4 of Bill 25?

Mr. Chairman: Those sections have gone through; we're dealing with section 19.

Mr. Roy: Oh. I wonder, with your permission Mr. Chairman, if I might ask a question of the Attorney General pertaining to the suspension under subsection 3. I was out just briefly—

Mr. Lawlor: Where were you?

Mr. Roy: —and I would just like to ask a question of the Attorney General pertaining to this because of some amendments to the Criminal Code. I wonder if I could have your indulgence on this?

Mr. Chairman: Is it agreed by the committee that the hon. member for Ottawa East ask a brief question on section 3 on which he might get clarification?

Mr. Renwick: Provided he stays for the rest of the debate.

Mr. Roy: Some of us get in and out. I'd be as gracious as the member for Riverdale in similar circumstances.

Mr. Lawlor: Get on with it.

[3:30]

Mr. Renwick: I am gracious too. I just want you to be here.

Mr. Roy: As you know, section 22 of the Parole Act has been revoked with Bill C-71, and that was the famous section whereby certain individuals who suffered a suspension could go to the parole board and get a—I don't know what you called the order—

Mr. Renwick: A pardon.

Mr. Roy: No, it wasn't a pardon, it was a stay of the suspension order by the province, and the most famous case, of course, was that of the Hon. Jean Marchand who recently had a year's suspension and had a stay of suspension from the Quebec government after six months.

As you know, that section has now been revoked under the Parole Act and the parole board has no further jurisdiction. Under subsection 3 of the Highway Traffic Act, where the judge has jurisdiction to suspend for life if he feels it is necessary, I was wondering whether the province intends to set up any sort of agency which may, after a number of years, look at this suspension and stay it?

I want to say very clearly that I would hope this would not be abused, but on the other hand if a person is rehabilitated after, let's say 10 years, and had a lifetime suspension under the Highway Traffic Act, whether the province has any intention at all of having a board, similar to the parole board, which had a chance to look at this suspension and, when it was warranted, to stay the suspension after any period of time it felt was adequate.

I just feel we may have some circumstances where the judge feels that the suspension requirement is, say for 15 years, and yet the individual after five years or even 10 years is fully rehabilitated, and if he is he should be given every privilege that every other citizen has in this province. I was just wondering whether the Attorney General

had looked at that and whether it is the intention of the province to set up some form of agency, or whether the registrar of motor vehicles will be able to do that, following one of these lengthy suspensions under the amendments to Bill 25?

Hon. Mr. McMurtry: Yes, the potential for lengthy suspension that the member for Ottawa East refers to, of course, is in relation to criminal offences where there is a possible penalty of life imprisonment; otherwise it is no more than three years. I think the point raised by the member for Ottawa East is a valid one. This is a new experience for the province and I think it is something that I should discuss with the Minister of Transportation and Communications with a view to perhaps establishing. I don't think there is any degree of urgency, as the matter is only being introduced, but where a suspension might, for example, be beyond the three-year period certainly I agree in principle with the suggestion from the member for Ottawa East that there should be some procedure or mechanism by which this matter could be reviewed. I think it is a worthwhile suggestion.

Mr. Chairman: We are on section 19.

Mr. Renwick: Mr. Chairman, I don't know whether this is properly in order but I am sure my colleague, the member for Ottawa East, will agree—I think it is in order but I am not certain about it, the intricacies are so great at the moment. A lawyer, Wilfred Day, practising down in Port Hope, wrote to my colleague, the member for Etobicoke (Mr. Philip), who is the critic of this particular ministry, and may I just quote what he said in his concern about the inability now to grant a restricted licence for the purpose of employment. My colleague, the member for Wellington South (Mr. Worton) is also concerned about this problem.

Wilfred Day, practising in Port Hope, but writing in a personal sense rather than as a lawyer, said:

I wish to suggest that the caucus [that's NDP caucus] take a stand in favour of restoring some authority to provincial court judges in the matter of intermittent suspensions or restricted licences for the purposes of employment. Until about three years or so ago someone convicted of impaired driving could ask the court, under section 238 of the Criminal Code, to be allowed to drive for work purposes. The court could make an order prohibiting him from driving a motor vehicle in Canada at

all times or at such times and places as may be specified in the order.

In my opinion, this worked very well in our area. A man who would normally get a three-month suspension, if he had to drive to get to work or for farm purposes, or if driving was part of his job—construction vehicles, employers' vehicles, etc.—could explain the situation to the judge and the judge could make the appropriate order if he felt it was necessary, tailoring the terms of the order to the person's exact situation and frequently would make the overall suspension six months to compensate for diluting it.

The Crown attorneys and defence lawyers were quite happy with this also; nor did you have to get a lawyer to do this. I saw accused persons get this on their own.

Then the Ministry of Transportation and Communications decided to insist on the overriding authority of the automatic suspension under the Highway Traffic Act and issued instructions to their computer to refuse to recognize judges' orders under the Criminal Code, litigation followed and the Highway Traffic Act won.

Some judges fought back by trying to give restricted licences by way of conditional discharge but this was clearly illegal. In effect it was an exercise in civil disobedience by the judges and was ruled illegal by the Supreme Court of Canada in the Bradshaw case.

The result now is that if a man is found driving while impaired, the only discretion is that of the individual constable, whether to charge him or to drive him home. Once he has been charged, there is no legal or judicial process to give any consideration to the individual case. He has an automatic suspension and may well lose his job or may find that his wife has to drive him to work, drive farm vehicles or whatever, penalizing someone who is not a party to the offence at all.

He goes on at some length and I don't need to refer to the point at any greater length. I think we in this caucus have from time to time spoken both ways in the same matter. My colleague, the member for Lakeshore, was rather more lenient than my colleague, the member for Wentworth (Mr. Deans), about how tough one should be.

My question really is simply to ask: Is the ministry giving any consideration to a restricted type of licence for employment purposes or does the overriding public interest, from the point of view of the ministry, re-

quire this penalty, without any ifs, ands or buts about it?

Mr. Breithaupt: This could even become a debate!

Hon. Mr. McMurtry: I think it's a significant matter of policy and, as I indicated earlier, I would be quite prepared to suggest that it be included within the terms of reference of the highway safety committee which has just been established—as to where the province should go in relation to intermittent driving privileges. I would be more than happy to see the matter referred to that committee.

Mr. Roy: Mr. Chairman, if for nothing else but the record might I echo some of the concerns mentioned by the member for Lakeshore and the member for Riverdale about this amendment to section 19. I think the member for Lakeshore made a point. When we appoint judges, we give these people the power of discretion. They get certain individuals who come before them and really, out of a variety of factors, whether it is the employment of the individual, the circumstances of the case in which he finds himself, as the Attorney General knows well enough through his long and successful practice—a lot of which was before the criminal bar—seldom do you get two individuals alike. There are always shades; the evidence is different; the facts are different in a variety of cases.

It bothers me to see, for instance, a discharge or a conditional discharge given on the one hand by the court and taken away by the Highway Traffic Act. I understand that it's a difficult situation to come down hard on because we know there are abuses. We know that because the statistics prove overwhelmingly that there are far too many accidents where the percentage of drivers who've been drinking is continually increasing.

We thought we had solved the problem to some degree in 1968, I guess, when John Turner brought in the famous law to compel people to take a breathalyser test. I can recall that was brought in some time before Christmas, and it was the talk of cocktail parties; everybody was going around saying you shouldn't drink too much and some were walking around with their own little Alco-Dials of some sort trying to figure how much they had had to drink. I can understand that this was a momentary thing, but then the statistics shot up again.

There is a political aspect of this and there's the humanistic or justice aspect of it. We're trying to be tough, and I think we're

all in agreement here that we've got to be tougher. Somehow we've got to get it across that if you want to drink you can't drive and if you want to drive you don't drink; you've got to make your choice.

But as one who appears before the courts and sees a variety of situations, it bothers me that there are circumstances where the court and everyone involved feels there should be a humanistic sort of approach to a case, that a conditional discharge should be given, but we're precluded from doing it under this section.

I just wanted to register my concern about this, but I also want to say I have some sympathy with both ministers on this, because there are obviously political pressures. Apart from that I'm sure there is a feeling in the ministry, and especially in the Ministry of Justice, that when a loophole or some scheme is found to take away the sting of some particular law, it's continually pleaded by the lawyers and then I suppose you feel, in the Ministry of Justice, that too many judges are using this method of avoiding, let's say, a harsher law. I can recall that was how conditional and complete discharges were used.

I am convinced there is a fear in the ministry that once this situation is found to work, then every second lawyer and every second accused who comes before the court will plead that for reasons otherwise he needs his licence to drive and he should get a conditional discharge. There is some sympathy, because I suppose if there is one offence that all of us here, but for the grace of God, at one time or another might find ourselves charged with, it's one of drinking and driving. I think many of us have felt that since the law has got tougher and since we've seen the statistics, certainly we're more careful, but at one time or another I suppose many of us were in that kind of a situation, whether it was after a judge's party, the bar association dinner or whatever and some judges, I suppose, may well have faced the rigours of that situation.

I've got to register my concern about this because, as was stated by the member for Riverdale, who was reading that letter, under that section, unless you're extremely fortunate that there's a technicality some place else, the only discretion left is with the police officer. In some ways I'm pleased that they may be going to have breathalysers with them; at least the fellow can say, "Let me blow in there to show that I'm not impaired or I'm not over 0.08." But, as one in the legal field, I have to be concerned about the fact

that the only discretion remains with the peace officers. I must register that concern.

Maybe as an aside, as a matter of interest, I could tell you of a situation I handled the other day. I had an individual charged with an 0.08 offence—care and control over 0.08—and, of course, the usual question was asked, "Did you blow within the two hours?" This can only happen in Ottawa. But as I questioned him, I found out that he'd been stopped—and on the parking lot of the American Embassy; he was on foreign soil. Here was the famous argument that the Criminal Code and our criminal law is local in nature and cannot apply to foreign jurisdiction, and so he was one of the lucky ones. The advice to other people, I suppose, is to go and park on the American Embassy grounds.

Mr. Reid: It's a long way to drive sometimes to get there.

An hon. member: It's a long way from Rainy River.

Mr. Roy: I am saying that apart from that type of technicality, the only discretion left is with the police. I think it is going to be extremely important that all of us follow the workings of that law, because police forces, like any other agency, need some continual scrutiny so that this is not abused, and I think we have to express that concern.

Mr. Grossman: Mr. Chairman, like the member for Ottawa East—

Mr. Breithaupt: This is going to be a real confession.

Mr. Grossman: I was just going to say it is not. Like the member for Ottawa East, I am a lawyer who has had occasion to—

Mr. Reid: Have a drink or two.

Mr. Grossman: —practise in the courts, though not attend those raucous bar association parties. On occasion I have pleaded for the very same type of consideration that we are concerned about here today, although I must say I have never had occasion to worry about my own personal situation.

Mr. Reid: You must lead a very dull life.

Mr. Cunningham: Have you got a driver's licence?

Mr. Grossman: It may be different in Ottawa, though, I don't know. I hear it is different in Ottawa.

I just did want to rise and say that in other areas of the law, strictness is something that is honoured. A very strict standard is put

on enforcement, without exemption of other laws. This happens to be one area which has been overridden for very many years with excuses and explanations—some valid, some not so valid. Somehow when it comes to drinking-related offences, there is always some sort of explanation which is acceptable to some—I suppose because, as the member for Ottawa East seriously has suggested, it is something that almost everyone can relate to.

Surely when you are talking about a break-and-enter or an assault causing bodily harm, not very many people, in this assembly or on the bench or in very many other places, can immediately relate to it in a very personal way. It is not something they have participated partially in, and not enough to blow 0.08. A drink-related offence is something they can relate to.

Because of that, explanations and a dispensation result, which I think has led to a situation where it is nigh about time when we ought to go into a more extended period of time during which we do not have that exemption, particularly in view of the fact that we are in an area in which most of the violations obviously result in someone enjoying themselves and then regretting it afterwards. I don't think it is too tough, in something that is as widely publicized as this legislation will be, to say, "This is the rule, boys."

It is severe, yes; but when you look at the toll it wreaks in ruining lives, destroying families and injuring people, I just don't think it is something in which we can continue to permit the type of ever-increasingly-open relief that has been the case over some period of time. As the member for Ottawa East rises to express his concern, I express my concern as well, except to say that on balance at this particular time I would say it is time for strict observance of the legislation, and I would at this time think that we ought to go without the loopholes as they have been referred to earlier.

Mr. Reid: Unlike the previous speaker, I want to suggest that perhaps some discretion should be left in. I think surely it is within the competence of the minister and the legislation's drafters that they can lay down fairly rigid guidelines as to whom the discretion would and would not apply.

I am sure, Mr. Chairman, you would agree with me, coming from where you do, that a great many people in the northern ridings particularly—I won't say drink, but they do travel some distance to work. My constituency is mining and pulp and paper. People have to travel to the forest to cut the trees, and have to travel by truck to get there.

They have to travel in some cases 50 miles to a mine site—from Ignace to Mattabi Mines, for instance—or seven miles from Atikokan to Steep Rock or Caland. These people are going to be at a great hardship if their particular circumstances aren't taken into account. I would think also, for instance, that people who live in the dormitory towns in southern Ontario, who commute to Toronto or Hamilton or Sarnia, and who find themselves in this difficulty, are also going to be in a position where their livelihood and their families and everything else is going to be affected by a much greater degree than those people who, perhaps, have the use of public transit to get to and from work.

I would just reiterate what I said in the previous reading—hopefully we won't have a third shot at it—but I would hope that the minister would give some thought to that discretion.

Mr. Renwick: I am always interested to hear the different views on this sort of question. My experience, basically, is limited to Toronto's old city hall. I came down on the wish to have this matter reinstated as an equitable matter, rather than as a restriction. The reason was that my experience, and I can only speak of my own experience, is that it is extremely difficult to persuade a provincial court judge, exercising his criminal jurisdiction under the code, to give a conditional or an absolute discharge for driving offences.

Now, that may be different in other parts of the province. But I think it is fair to say that if one were before my good friend, His Honour Judge Bigelow, to ask on an impaired driving charge for an absolute or a conditional discharge would—regardless of your seniority at the bar—lead you to be dressed down in public for even daring to make that suggestion. Because I think that's the view in Metropolitan Toronto, and I think other judges adhere to that view. I would certainly like to hear my colleague, the member for Lakeshore, or any other of the lawyers who practise in those particular courts.

That has been my experience, and my anxiety to have it reintroduced was not for the purpose of making it tougher, but for the purpose of permitting a judge in a proper case, and only as a discretionary matter, to grant a discharge or conditional or absolute with the full knowledge that the person at least would not be driving.

I felt, on balance—and I recognize both the pure legal argument and the very real practical arguments put the other way in

perhaps other parts of the province—but I think it is fair to say that it would be the general experience of lawyers practising in the old city hall, that it is very difficult to get an absolute or a conditional discharge on a driving offence under the code related to alcohol.

Motion agreed to.

Section 19, as amended, agreed to.

On section 20:

Mr. Chairman: Hon. Mr. McMurtry has a further amendment to section 20.

Hon. Mr. McMurtry moves that section 21 of the bill, as renumbered, be amended by striking out “and 17” in the third line of subsection 1, and substituting in lieu thereof “17 and 19.” And by striking out “section 10” in the second line of subsection 2 and substituting in lieu thereof “sections 10 and 19.”

Do members of the committee have a copy of that? Any comments on the minister's amendment?

Hon. Mr. McMurtry: I understand, Mr. Chairman, the amendments proposed in this section just simply provide for the new section 19 to come into force on proclamation.

Mr. Chairman: Shall the amendment carry?

Motion agreed to.

Mr. Chairman: Mr. Snow has a further amendment to the same section, subsection 3.

Hon. Mr. Snow moves that subsection 3 of section 20, which is section 21 of the renumbered section of the bill, be amended by striking out “June” in the second line and inserting “July” in lieu thereof.

Hon. Mr. Snow: Because of the delay in having the bill passed, this allows for a further month for the implementation of this one section.

Motion agreed to.

Section 20, as amended, agreed to.

Section 21 agreed to.

Bill 25, as amended, reported.

Hon. Mr. Snow moved that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one

bill with amendment and asks for leave to sit again.

Report agreed to.

PUBLIC TRANSPORTATION AND HIGHWAY IMPROVEMENT AMENDMENT ACT

Hon. Mr. Snow moved second reading of Bill 82, An Act to amend the Public Transportation and Highway Improvement Act.

Mr. Philip: We agree with the intent of this. One or two of our members would have a few questions to ask on it and we would like to have it referred to committee.

Mr. Breithaupt: We have certainly no objection to that. I know there are a number of items that my colleague from Rainy River (Mr. Reid) has to raise on it but I think that this bill is not one which has any particular discussion that can be held in the usual debate on second reading. We would be content to have the bill receive second reading and then be directed to committee of the whole where we can no doubt deal with it, probably before 6 o'clock.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be referred to the committee of the whole House?

Hon. Mr. Snow: If the members want it, to the committee of the whole House, Mr. Speaker.

Agreed.

Clerk of the House: The second order, House in committee of the whole.

PUBLIC TRANSPORTATION AND HIGHWAY IMPROVEMENT AMENDMENT ACT

House in committee on Bill 82, An Act to amend the Public Transportation and Highway Development Act.

Mr. Chairman: Any comments, questions or amendments?

Mr. Renwick: The one question I have, simply because I don't understand it, is on section 5 of the bill.

Mr. Chairman: Are there any comments before section 5?

Sections 1 to 4, inclusive, agreed to.

On section 5:

Mr. Renwick: I just have no idea of the significance of the repeal of subsection 2 of section 45 of the Act which is being amended. Perhaps the minister could tell me what the significance of the repeal of that section is. Perhaps I could read the section as it now stands:

Where a county has paid over moneys raised on sinking fund accounts to the Treasurer of Ontario under section 315 of the Municipal Act, the amount to be raised for the construction of roads under subsection 1 may be a sum not exceeding the total amount so in the hands of the Treasurer of Ontario with five per cent of the equalized assessment of the county added thereto.

I repeat, I just don't understand either the section in the first place or its repeal in the second place.

[4:00]

Hon. Mr. Snow: Mr. Chairman, this subsection of the Act deals with financing by a county under a section of the Municipal Act which was repealed back in 1970. The subsection in our Act now serves no purpose, and we're deleting it because the complementary section in the Municipal Act has been repealed.

Section 5 agreed to.

Mr. Chairman: Are there any further comments on the bill?

Mr. Wildman: On subsection 6.

Mr. Chairman: On subsection 6? Is that section 6 or subsection 6?

Mr. Wildman: Section 6.

On section 6:

Mr. Wildman: I would like the minister to clarify the reason for the deletion of the words "... of the minister and ..." Does he see this as giving the municipality more discretion, or is there any particular reason for this?

Hon. Mr. Snow: Yes, Mr. Chairman, this is the reason for it. At the present time the municipality must receive approval of both the minister and the Ontario Municipal Board to designate a road as controlled access. After consultation with the municipal leaders on committee and so on, we decided to delete the approval of the minister. We even considered the approval of the board but felt that should remain as a protection to individuals who may own property along a right

of way. At least this way the municipality would have to get OMB approval and that individual would have the right to appeal to the OMB.

It's just unnecessary in this day and age for a municipality to come to the minister for approval like this. We're trying to streamline the process and give the municipalities the authority to make up their own minds.

Mr. Renwick: Mr. Chairman, on section 7 there is no reference to the Municipal Board and we're dispensing with the approval of the minister. Perhaps the minister would give us a word of explanation about the removal of his approval as a condition of the agreements authorized under section 100, subsection 1 of the Act?

Mr. Reid: The explanatory section seems to contradict itself.

Hon. Mr. Snow: This is basically the same thing, Mr. Chairman. It just deletes the requirement of two municipalities to get the approval of the minister to enter into an agreement to construct or maintain a road between two municipalities. They can now enter into an agreement on their own.

Mr. Renwick: What concerns me is why was the minister's approval required in the first place? I guess that's why I have the question in the back of my mind. It seemed to be quite unreal that the minister had to give his approval in the first place. I wonder what protection, if any, would be removed by deleting the minister's approval. It certainly would lighten your workload.

Hon. Mr. Snow: Mr. Chairman, there are a great many things in the several Acts under my jurisdiction where my approval is required. I would like to get rid of a considerable number which I really don't feel are necessary for things that have probably been in legislation for many, many years. I haven't researched it back to see when this was put in, but I have many such bylaws of municipalities. Even parking bylaws of the city of Toronto, under certain circumstances, have to be approved by myself as Minister of Transportation and Communications.

I think as we amend Acts, and at the request of the municipal liaison committees, we are trying to delete ministerial approvals for municipal actions where they are not absolutely necessary.

Mr. Chairman: Are there any further comments on the bill?

Section 6 agreed to.

Sections 7 to 9, inclusive, agreed to.

Bill 82 reported.

Hon. Mr. Snow moved that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill without amendment and asks for leave to sit again.

Report agreed to.

THIRD READINGS

The following bills were given third reading upon motion:

Bill 25, An Act to amend the Highway Traffic Act.

Bill 82, An Act to amend the Public Transportation and Highway Improvement Act.

PLANNING AMENDMENT ACT

Hon. Mr. Auld, on behalf of Hon. Mr. Rhodes, moved second reading of Bill 62, An Act to amend the Planning Act.

Mr. Lawlor: Mr. Speaker, I find it extremely discouraging—it almost halts me midway in my speech before I even get started—how can one say anything intelligent without the minister being here?

Mr. Breithaupt: I don't know that that is a guarantee.

An hon. member: I understand your problem.

An hon. member: What minister are you talking about?

Mr. Lawlor: From time to time one gets a sense of vacuity, a certain emptiness, a certain non-presence over there. When it happens in reality, in a very concrete sense, considering that the bulk of Mr. Rhodes is not reposed where he usually is—

Mr. Nixon: You know he is not reposing where he usually does.

Mr. Lawlor: —I just wonder whether we should carry on with this particular Act. I am dimmed, as Mantolini said, Mr. Speaker,

if I am going to argue a piece of legislation without the minister in charge being present.

Mr. Speaker: Would the acting House leader advise the Chair as to the next order of business or the order of business?

Hon. Mr. Auld: I feel somewhat embarrassed, Mr. Speaker. The minister—all of us I guess—didn't anticipate the rapid passage of the legislation preceding. He went back to his office and I understand is on his way back here.

Mr. Renwick: How would it be if we voted against it and rang the bells?

Hon. Mr. Auld: He may be in the middle of the street so he may not hear them until he got in here.

Mr. Breithaupt: Would it be possible, if the Attorney General (Mr. McMurtry) is present, to proceed with Bill 84, the Judicial Review Procedure Act? I believe it is likely to take a few moments only because there's only one section in it.

Hon. Mr. Auld: The Attorney General went down to get that.

Mr. Nixon: He is reposing elsewhere also.

Hon. Mr. Auld: He, too, is on his way here. I can get the Minister of Consumer and Commercial Relations (Mr. Handleman) who is at the legislation committee meeting. Perhaps we might send the message down there.

I was there a moment ago and told him he could continue with what he was doing there because I assumed that Mr. Rhodes would have been here when I got back. We could do a little deep breathing just for a moment or two and hopefully we will have some legislation to move with.

Mr. Speaker: It would seem to the Speaker that in the event we haven't got a minister to carry on, perhaps we should recess the Legislature temporarily until a Minister of the Crown gets here to deal with legislation. Ten minutes? We'll resume the session at 4:20. We'll ring the bell momentarily to alert members.

Mr. Speaker called for a 10-minute recess.
[4:20]

Mr. Speaker: We await the words of the member for Lakeshore.

Mr. Lawlor: As I was saying, before a certain interregnum fell on the House, what has

happened to the Tory party? Are those fellows falling apart with nobody on deck? Are they scuttling the thing just outside the harbour? Are all the various people deserting the ship?

Hon. B. Stephenson: No, no.

Hon. Mr. Rhodes: On a point of order, I would like to explain to the hon. member why I was not present. I was busily entertaining a delegation brought to my office by one of the members of the opposition, and I felt out of courtesy that I should remain and listen to their problem. My apologies to you, sir, and to the hon. members for not being here in time. In the future I will decline to entertain such delegations.

Mr. Lawlor: All right. I personally accept your apology.

Mr. Deans: Why don't you take off your shoe and bang it?

Mr. Lawlor: It is just that the Attorney General was not here and you weren't here. The only one left was the Management Board chairman and he is counting shekels under the desk.

The legislation is not, I would say, exactly apocalyptic. It didn't even really need the minister to be here except that we like the beaming countenance and except that there are more questions raised by the legislation than we have answers to give at the moment, and we will go into committee, I trust.

There are several things I wish to question, particularly in section 2(2). The checkerboarding principle is back on our plate, as I take it. It is a thing that has irritated long, like a burr under the skin constantly. Just what the ramifications are of permitting foreclosures under certain circumstances without ministerial order and without planning board approval is a really nice point. This particular section must have been designed to meet a particular situation which, in some way or another, was aggravating the ministry, or someone must have found along the way that exercising power of sale or foreclosure rights was either a neat trick to beat the planning provisions or that the Planning Act was so arranged that once they had exercised the power they were blocked with respect to future and possible conveyances. Whichever way that worked, I would like to have the minister clue us in.

As to the next part there, with respect to agreements and consents, particularly agreements to be registered as between the ministry on one side in some instances, or at least between municipalities and developers, etc.,

I would only make one point in the thing, and this possibly would be the place in legislation to bring it to a head. The Ministry of Housing is frustrated, precisely by the subdivision agreements and this sort of setup, in expediting expansion of the housing market in Ontario because municipalities have seen fit to undermine the ministry's plans, whatever they may be, amorphous as they may be, by increasing levies and fees, in some cases astronomically and in some ways as a deliberate act to impinge upon and hinder the housing market in that particular area; in any event, adding a significant factor to the costs, not just the end price of the house, but being a preventive with respect to the people in the building trades from going ahead because they have to have very substantial liquid assets and accumulations of money to play into the depositories of the treasuries of the various localities around the province.

It is true, I believe, in Durham. It is true in hundreds of places in the Oshawa region I know of particularly. Some of them are just going to pull out of the business and walk away; not because of 100 other factors which afflict the housing market, but because of a particular form of abuse involved in this particular area.

It is a very interesting area, this extension to the Planning Act to cover the mobile home. It is a concept on which I personally have misgivings, although my caucus is mainly in favour of the legislation as it stands; and it has good points. The feeling is that this is a form of growth industry and a form of housing accommodation which causes a great deal of dislocation inside municipalities by way of the use of drains, the pollution factor, the septic tank element, the closeness of the mobile homes one to another; the general desperate state of the planning in this particular area. On the other side of the fence, with the grim housing situation that we face, my personal feeling was that a certain flexibility, a certain winking of the eye, if you will with respect, is in order. This is the one form of home that many people can buy who can't possibly even afford a condominium. They can find accommodation and take the weight off the demand.

It is kind of an awkward time, if I may put it that way, to bring in legislation which regulates this in a fairly tough way, as the Planning Act tends to do with its frontages and its lot sizes and its numerous requisites and consents of planning boards required, under very onerous conditions usually, all being brought in; the panoply of weapons being brought to bear upon this particular area of the housing market.

For the rest of the legislation, it's basically housekeeping. I am delighted to see the presence of the minister; bless you for arriving after all.

Mr. Hall: The bill sometimes begs the questions that one should ask rather than the questions that are obvious.

I assume section 1 is strictly a housekeeping matter. On section 2, I haven't seen the definition of a transmission line or utility line as defined in the Ontario Energy Board Act; however, we would hope it's spelled out very clearly in these regulations so there can be no misuse of the new interpretation this legislation will place upon it.

My history doesn't go back into the problems the ministry previously had with checker boarding. I can understand certain needs for ability to sever without causing refinancing of a whole investment block; however, going on beyond that, subsection 14 of section 29, reads as follows: "Every municipality may enter into agreements imposed as a condition to the granting of a consent."

There are already many municipalities where such agreements have been entered into for years. Some of them are quite restrictive in their nature. I understand a municipality, under certain sections, can take on all the powers of the minister, but again it disturbs me a little if every municipality can come up with its own interpretation of these rules.

The minister and I have discussed this considerably in the housing estimates and I won't belabour the point here. Generally speaking, I find nothing too offensive about the bill. [4:30]

Mr. Wildman: Again, I rise in support of the principle of the bill, as I understand it. But I have a number of questions which I would hope that the minister, in his remarks, will clarify for us.

Mr. Speaker: I understand the bill is going to committee. Perhaps if there are detailed questions on sections of the bill, they might better be left until we go into committee of the whole.

Mr. Wildman: All right, fine.

Mr. Good: I'd like to briefly ask a few questions, which the minister could probably answer. Do I interpret under section 2 a continuation of problems in Century City regarding the mortgages on those farms out there? I thought we had corrected that at one time in the last session of the Legislature—or maybe it was two sessions ago—where there was a problem of foreclosures

on the mortgages because of the way in which the legislation had been originally drafted. I would like to comment on that; or maybe the minister could report whether the problems out in Century City have been rectified by the previous amendments that we passed in the last session.

On section 3 dealing with mobile homes, Mr. Speaker, my understanding of this means that mobile homes would not be allowed on any site that could not be conveyed under the exemptions of section 29, subsection 4, where consents are not required. It means mobile homes would have to be placed on either registered plans of subdivision, or one home per unit of transferable land without a consent. That would mean a farmer could have one mobile home on his farm in those areas where they would be allowed. I'm just wondering if that is the proper interpretation. To me, that would make it quite restrictive in some of the rural areas of the province where they do, in fact, allow mobile homes on a more generous basis than they do in parts of southern Ontario. Those were the two concerns I had about the bill; and I'm sure the minister can address himself to those two things.

Hon. Mr. Rhodes: Mr. Speaker, very briefly, regarding changes to the main section of this bill, as the member for Lakeshore has pointed out, the majority of them are merely housekeeping amendments. The main section is section 3.

I guess the House knows we've been encouraging the consideration of mobile homes as an alternative form of viable housing. In the past, mobile homes have pretty well just popped out in an unplanned and uncontrolled basis, and this has been the source of considerable problems. Because of the mobility of the units in many cases, they've been able to move on to a site in very short order—and it has caused some problems. We're hoping that by the passing of section 3, we can prevent the placing of more than one mobile home on a parcel of land unless such land was covered by a zoning bylaw passed under section 35 of the Planning Act; or a minister's zoning order under section 32 of the Act.

When the provisions are in force, they'll prevent scattered and unco-ordinated mobile home development—and at the same time give some effective control in the hands of municipalities. These are things that municipalities have been asking for for some time, both in the rural areas and in the smaller communities, where they have been either very legitimately not wanting to allow mobile home parks to develop, or they have used the

lack of this type of legislation for a reason not to consent to the—

Mr. Good: What do you mean, “legitimately not wanting them to develop”?

Hon. Mr. Rhodes: I used the word “legitimately,” and perhaps I should qualify that. Many municipalities have quite properly said, “We do not have the necessary legislation to give us the type of control we should have over mobile home development.”

I believe this sort of amendment should have been brought in some time ago in order that municipalities could, in fact, have the control that they would like to have over all forms of development in their community and, in particular, the mobile homes. Hopefully, we will have an easier and a better opportunity for the development of mobile home parks in these communities.

If a municipality now decides that a mobile home park would be suitable in a particular location, it can zone the land in that appropriate category. Once the bylaw has been approved then the development can proceed. The municipalities will be able to establish site plans by using the power of section 35(a) of the Planning Act in conjunction with their zoning power under section 35. It is the section which makes provision for municipalities to require a plan to be submitted in conjunction with the proposed development. It also requires that the developer will enter into an agreement for the provision of the facilities that, as the hon. members are aware, are mentioned in section 35(a).

I think the provisions in section 3 are positive in nature and they will encourage, rather than discourage, the development of mobile home parks. I would point out, Mr. Speaker, that I do have two minor amendments to the Act which I will present to the hon. members when we get into committee.

Mr. Stokes: Could I ask one brief question of the minister? Would this apply to the building of mobile homes in unorganized communities where you don't have that sort of intermediary?

Mr. Speaker: I presume the answer will be disclosed.

Motion agreed to; second reading of the bill.

Mr. Speaker: I understand the bill is to be ordered to committee of the whole House.

Agreed.

HOUSING DEVELOPMENT AMENDMENT ACT

Hon. Mr. Rhodes moved second reading of Bill 64, An Act to amend the Housing Development Act.

Mr. Speaker: The hon. member for Lakeshore.

Mr. Lawlor: I hate to say this but I am waiting for a certain member to arrive, Mr. Speaker.

Mr. Roy: Is it for me?

Mr. Lawlor: The member for Ottawa Centre (Mr. Cassidy) is in committee downstairs and has some remarks to make on this particular piece of legislation. I couldn't suffer those things—he was entertaining somebody that you sent him to see; he is entertaining them. I don't know—I am trying to use up time to get him here, Mr. Speaker.

Mr. Speaker: Does any other hon. member wish to speak to the bill?

Mr. Lawlor: If we can't do that then I will send the bill into committee and let it go that way.

Hon. Mr. Rhodes: Mr. Speaker, I have some opening remarks I would be pleased to make at this time, and perhaps the hon member will arrive.

Mr. Speaker: We will be pleased to receive them, I think.

Mr. Stokes: If you had answered my question you would have been all right.

Hon. Mr. Rhodes: With respect to Bill 64, you will recall that at the time I moved first reading I pointed out why section 1 was necessary. I said at the time that we wished to remind the members there are three basic reasons for the amendment. First, it will extend the Ontario Home Renewal Programme to include rental housing accommodation. Second, it will remove the conflict between subsections 1 and 2 of section 2(a) of the Housing Development Act, regarding the determination and calculation of the amount of interest on the loans to property owners. Finally, it will enable municipalities to take a promissory note as security in lieu of, or in addition to, a lien.

In particular I think the two matters, as they relate to interest and to the promissory note problem, have been brought to my attention on a number of occasions by hon. members. They were said to create some problem

for those who wish to qualify for the Ontario Home Renewal Programme funds, especially those who have land under the Veterans' Land Act. Under the terms of the present Act it was not possible for them to qualify, but now they would be able, with this amendment, to qualify through the use of a promissory note.

In recognizing that new housing alone cannot meet all the housing needs in this province, a key part of this is to provide affordable and adequate housing with a set of programmes designed to conserve and improve the existing housing stock. I think you would agree that many older homes in many communities in Ontario have the potential of providing good housing for many years to come, and all that really is required is some upgrading and some maintenance work.

Is he here yet?

Mr. Roy: How much money have you put aside for that?

Hon. Mr. Rhodes: Regardless of the kind of occupancy, owner or tenant, the existing housing in need of and capable of repair at reasonable cost should be repaired. The provision we have here is that funding will be made available to convert existing older homes where if an owner wishes to make an apartment within that home, we will advance the funds under the home renewal programme to convert that home into a second dwelling unit.

Also, it will apply to municipalities where the second floor of commercial areas have been left empty in many communities, particular in small and medium-sized communities. Funds will be available to convert these establishments to housing facilities, but only, in all cases, if the municipal bylaws will permit this sort of conversion to take place in the particular community. We feel this will help add something to the existing stock, and the repair of existing stock will provide extra housing.

The programme in this particular area, though, will be contingent upon the landlord, entering into a rental stabilization agreement, so that if we're going to be putting these funds into converting and upgrading units, whatever rental facility is made available will have a rental stabilization factor on it at least until such time as the loan has been repaid to the government and so as not to allow the rents to simply run loose just because they've been able to provide an extra unit in the building.

I trust and hope that the hon. member who was supposed to be here is now here. If not, then I would follow the hon. member from

Lakeshore's suggestion that we now go to committee.

Mr. Hall: Mr. Speaker, I have a couple of questions I would like the minister to answer. Under the Ontario Home Renewal Programme, which this bill is now extending to tenant-occupied premises, is more money going to be put into the programme to provide a broader base, since we're opening the door for more applications? I think it's noteworthy that we are encouraging the improvement of older residences, whether or not they are owner-occupied or rented; I think this is all very well, but I wonder whether it will not result in a demand for more money in this particular programme.

Secondly, I wonder if the minister, in his response, could tell us a little bit more about the interest rates that will be set by regulation. I don't necessarily mean the specific rates, because I appreciate that they vary from time to time, but the structure on which that rate determination will be based.

I appreciate and understand that the concept of a promissory note as repayment of a loan is used to avoid the present Veterans' Land Act ownership rules with regard to registration of debts on title, and I trust and assume that this other modification that the minister is suggesting is satisfactory to VLA authorities.

About section 3, I wonder if there has been some problem relative to the legal base for the rent supplement programmes in which the government has been involved, and does this section 3 tend to operate to improve that situation? The specific reference of providing financial assistance for the benefit of any occupant or class or classes of occupants of housing accommodation to assist in the payment of rent, mortgage payment or other charges, brings this question to mind. I think the minister might expand on that when he has an opportunity.

Those are the particular points of concern that I had.

Mr. Roy: I would like to ask a question of the minister as well.

Hon. Mr. Rhodes: When we go to committee.

Mr. Speaker: If they are questions about specific matters, they could be asked in committee.

Mr. Roy: I thought we would avoid going into committee—

Mr. Renwick: We are going into committee.

Mr. Roy: You are going into committee? Okay.

Motion agreed to; second reading of the bill.

Mr. Speaker: I understand the bill is to be ordered for committee of the whole House.

Agreed.

[4:45]

PERSONAL PROPERTY SECURITY AMENDMENT ACT

Hon. Mr. Handleman moved second reading of Bill 76, An Act to amend the Personal Property Security Act.

Mr. Renwick: Mr. Speaker, we're in agreement with this momentous piece of legislation.

Motion agreed to; second reading of the bill.

THIRD READING

The following bill was given third reading upon motion:

Bill 76, An Act to amend the Personal Property Security Act.

VITAL STATISTICS AMENDMENT ACT

Hon. Mr. Handleman moved second reading of Bill 77, An Act to amend the Vital Statistics Act.

Mr. Renwick: Mr. Speaker, we're in complete agreement with this amendment to the Vital Statistics Act.

Mr. Roy: Mr. Speaker, while we're on the question of amending the Vital Statistics Act, I just wonder why the minister, seeing that he is in the process of making certain amendments to that Act, would not have gone further and adopted the policy accepted by other provinces in the country and allowed certain individuals who go through sex changes, with the approval of the government and sometimes with payment being made by one arm of the government—the OHIP people are paying for part of these operations—would not allow changes to be made to the sex of the individual in official documents.

[This matter has arisen in a variety of provinces where legislation has been amended, and it has arisen here. In fact there was a case—I think it was brought to the minister's attention some time ago—a situation in Ottawa involving an individual, and I think the member for Carleton East (Ms. Gigantes)

had been involved in this as well. This individual's case had been referred to the Ombudsman's office. It seems to me that, as a matter of compassion—in fact, as I said before, every time I've spoken on this I suppose I lose political points. It's no great issue. The future of the province is not exactly teetering on this, but it does create hardships for the individual involved.

I would suggest that when we're talking about amending that Act it would have been an ideal opportunity. I don't know if the minister has received any directives or any correspondence from the Ombudsman on this case, but he is suggesting that changes be made to the Vital Statistics Act to reflect the change in sex of that individual. I would like to hear the minister's comments on whether he's prepared to go in that direction, where we're prepared to see that type of amendment in the near future.

It doesn't make sense to me that this province would allow an operation to take place, would acquiesce to this, in fact pay for it, and another arm of the government would not recognize the fact that the change has taken place. I would like to hear the minister's comments. I thank you for your indulgence, Mr. Speaker, although I'm not right on the bill, I'm talking certainly in an area of vital concern to that particular individual.

Hon. Mr. Handleman: Of course, I'm pleased at the member for Ottawa East recognizing that he wasn't speaking to the principle of this bill and I'm pleased, of course, that the principle has been accepted.

I think the only thing I can say with regard to the hon. member's inquiry is that any further amendments to the Act would be a matter of government policy, policy which I can assure the House has not yet been discussed by the government. I've been aware of this problem for some considerable months. I suppose the only comment I can make with regard to that is that I'm prepared to consider it. The Ombudsman has again drawn it to our attention. It's not the first time it's been before us. We will be considering future amendments from time to time and I'm sure that amendment will be before the government for a policy decision.

Motion agreed to; second reading of the bill.

THIRD READING

The following bill was given third reading upon motion:

Bill 77, An Act to amend the Vital Statistics Act.

Clerk of the House: The second order, House in committee of the whole.

PLANNING AMENDMENT ACT

House in committee on Bill 62, An Act to amend the Planning Act.

Section 1 agreed to.

On section 2:

Mr. Renwick: I get concerned when I see the extension of a provision such as this to include a utility line as defined in the Ontario Energy Board Act. I'm not certain—I'm not knowledgeable in the field—so I would invite my colleague from Lakeshore and others in the House who know about this kind of provision to talk a little bit about the effect of extending the exception to part-lot control by adding the term, "or utility line" to the term "transmission line" as defined in the Ontario Energy Board Act.

I took the trouble to look up the definition of transmission line which is presently in the Act and it is: "A pipeline other than a production line, a distribution line, a pipeline within an oil refinery and/or petroleum storage depot, chemical processing plant or pipeline terminal or station."

A transmission line, subject to those exceptions, means a pipeline. Then I find that the term "utility line," as defined in the Ontario Energy Board Act, means: "A pipeline, a telephone, telegraph, electric power or water line or any other line that supplies a service or commodity to the public."

We're really talking about corridors in a very real sense and this is an immense extension of the exception presently in the Act relating to utility lines and part-lot controls. Of course, my concern is reconfirmed when I think of the extremely broad provision of clause (c) of subsection 4 of section 29 of the Planning Act which says:

The land or any use of or right therein being acquired for the construction of a transmission line, or a utility line or both, as defined in the Ontario Energy Board Act and in respect of which a person acquiring the land or any use of or right therein has made a declaration that it is being acquired for such purpose which shall be conclusive evidence that it is being acquired for such purpose.

I think that's an immense extension disguised as a minor amendment to this Act and I would like to understand what it's about, why

it is necessary, and what the government's intentions are in making this extension. Service corridors as such are very much in the minds of many people in various parts of the province without projecting, I may say, particularly in a riding such as the riding of Riverdale where we are talking about all sorts of corridors cutting right through the heart of my riding, if some people have their way.

Hon. Mr. Rhodes: As the hon. member has pointed out, subsection 4(c) of section 29 does now have the words, "for the construction of a transmission line as defined by the Ontario Energy Board Act," for adding to its utility line. The purpose of that is merely, as the section points out, to provide for municipalities to permit such transmission lines or utility lines to go through the community without having to go through the exercise of an individual land severance consent all the way along.

That has been happening within the terms of the Act now with certain utility companies. They may have resolved all other matters of concern and now are trying to put the utility lines through the particular area. Because it is going over various pieces of property they must make application for a land severance over all the various pieces of property and go through the consent procedures.

(We feel, once all other matters have been overcome within the meaning of the Act, that for this utility line, along with the transmission line—it could be a water line, it could be a sewer line, it could be a Bell Telephone underground line or this sort of thing—rather than going through the procedure of one after the other getting consents along a number of pieces of land, they would be able to do so with the permission of the municipality.

Mr. Renwick: That is my concern. Let me speak about Riverdale riding. If some people had their way, there would be an expropriation of property for service corridor purposes and perhaps for transportation purposes paralleling the Canadian National Railways line that runs diagonally for practical purposes through Riverdale riding and on out into the riding of my colleague, the member for Beaches-Woodbine (Ms. Bryden). Some people think it should be provided so that people can get from Scarborough to downtown Toronto without seeing the beauties of Riverdale by driving through it.

I am extremely concerned that in the case of the Bell Telephone Co. or Ontario Hydro or both of them or a privately owned pipe-

line—Consumers' Gas, Interprovincial, Trans-Canada, the Mackenzie Valley pipeline which will likely end up in Riverdale—any of those companies are simply able to make a declaration that they want it for a service corridor, and that's the end of it. There is no way in which the people in Riverdale can be either consulted or have notice of it or be given any opportunity to discuss it. Let the minister tell me if I am crazy. If I am wrong about the effect of this, that's fine.

Then I have the very technical question where it says transmission line means a pipeline and utility line is defined then to mean a pipeline. I don't understand that either. That's a technical conundrum which defies me. But the major point is the one which I am concerned about.

Hon. Mr. Rhodes: Perhaps I should be more clear in what I was saying. Section 29(4) does start off by stating: "Where land is within a plan of subdivision." So we are talking about that which is in a plan of subdivision only. The utility lines would be exempt from the consent only within plans of subdivision. They would still need consent elsewhere. Within a plan of subdivision they would not need it and that will speed up a lot of development processing for us. As it stands now, if you were going to go in to service an area, for example, with utilities in a new housing subdivision, you can be concerned about getting consent over part lots. We are simply trying in this way to give the utility lines exemption from the consent, but only within the plan of subdivision. In all other areas would still have to have consent. [5:00]

Mr. Renwick: Can you help me to understand it by giving a specific example of what is the problem that makes the minister bring this amendment into the assembly? Can you give me a specific situation where you run into this kind of problem; where it's been a difficulty and you've decided now that you want to have these utility corridors without having to get the usual consents that are required?

Hon. Mr. Rhodes: I don't think I can give the member a specific problem. I think it's pretty general, in many areas where you do have plans of subdivision and where you are attempting to get utilities in to serve those particular areas. The consents delay the whole process; as long as all other things are equal we feel that the consents will allow these utilities to go in, as long as it's within the properly registered plan of subdivision. If

there is no subdivision, if it's not properly registered and is open land, then the consents are still required.

I'm sorry I can't answer the member for Riverdale's question on the definitions of transmission and utility; I'm just not able to answer.

Mr. Good: Mr. Chairman, I think that's the crux of the whole issue. Exemption from part-lot control, which is what you're asking here, is a pretty cherished thing. Very few things are exempt from part-lot controls, except for things listed under the Planning Act.

Municipalities, I believe, can pass bylaws exempting existing new subdivisions from part-lots control. Say, where the subdivision is made up of semi-detached houses and you want to sell one side off and you can't because they are all shown on one lot, those areas can be exempted, I think, by municipal bylaws. I think there's provision in the Planning Act for that.

So in my mind I want to know, really, what is the significance of adding those words, "or utility lines," as transmission lines are already exempt under that section as defined in the Energy Board Act.

If there's doubt in the member for Riverdale's mind as to what the difference is, I'm sure there must be doubt in a lot of minds after reading the definition. What does adding those words do, that's the crux of the whole thing. The exemption from part-lot control is a pretty cherished thing for anybody to get. If utility lines are involved does that mean Bell Telephone; does that mean rural Hydro; does that mean Ontario Hydro; does that mean the municipal utilities commission, cable television and everybody else? What is it, as far as the definition under the Energy Act goes? I think that's what some of us would like to know.

Mr. Cassidy: Mr. Chairman, with respect to my learned friend, the member for Riverdale, I think what concerns him, and it would concern me as well, is if this section were to allow the Bell or some other utility to drive a corridor through the backyards of Riverdale or of Ottawa Centre or any other part of the province.

As I understand it, though, this subsection 4 simply requires that a consent from a committee of adjustment is required, except in certain cases. It's saying here consent from the committee of adjustment will not be required if it's a utility or transmission corridor. However, consent of the property owner is still required, and if it is not forthcoming

then that utility will have to go by its powers of expropriation, with all of the protections that pertain thereto. So it seems to me that the interests of the property holders, in not having a big bejesus transmission corridor in their backyard, remain protected since they were not essentially the subject of this committee of adjustment procedure which is being forgone.

Hon. Mr. Rhodes: Mr. Chairman, I obviously was not really totally aware what the concern being expressed by the member for Riverdale was. The member for Ottawa Centre is correct. This does not in any way preclude the owners of the land from denying access across their property. It only deals with not requiring consent of the committee of adjustment, or the land severance committee or whatever it may be in the particular area. It does not preclude the rights of property owners to deny access to their land for any type of utility or transmission lines through their property.

Mr. Renwick: What bothers me is that the so-called right of the owner to the property is a very nebulous right, if in fact the utility company has the power to expropriate, which is the case in many situations; either to expropriate the land entirely or to expropriate a right of way or an easement across the property. That expropriation power, as we've seen it operate in the province, leaves a great deal to be desired—also the block-busting operation which goes on both by government and by private utilities in acquiring, by agreement, certain areas and then expropriating what is left.

Surely the importance of the land severance committee or the committee of adjustment is to give people forewarning of the intentions of the utility company—what it intends to do and what it wishes to do, rather than to throw people immediately into the expropriation procedure or into the high pressure tactics which are used for acquisition by agreement cloaked as negotiations.

I don't know whether to vote against the section or whether I just wanted to vent my feeling that we're doing something immense here.

Hon. Mr. Rhodes: Mr. Chairman, perhaps we can give as an example the Bell Telephone which, right now, if it wishes to put a telephone line on the back lots of a subdivision needs consent for each separate lot for the easements. Those consents are granted by a committee of adjustment and they go through each individual piece of property to get that consent.

We're saying that the municipality can determine the location. It can be put into a subdivision agreement where the location of it will be. Then, on the matter of actually going across the property, once it has been settled with the property owners, the utility company would not have to go back to the committee of adjustment with heaven knows how many lots, one after the other, and go through a consent procedure or a hearing before the committee of adjustment on each of these individual lots as it proceeds through the subdivision. This can be avoided by simply putting in those words.

Mr. Hall: Mr. Chairman, the definition under the Ontario Energy Board Act that I have is "A pipeline, telephone, telegraph, electric power or water line or any other line that supplies a service or commodity to the public." The definition is very general and I haven't thought through what might be contained in any other line which supplies a commodity to the public. Does this extend to privately-owned cable television companies which have to function in subdivisions as well?

Does this imply anything special with regard to types of subdivision which might be of an industrial nature, where commodities could be carried in the line? One plant might be very much concerned about it and another plant may have no reason to be concerned at all, depending upon the hazard of a break in a line or something of this nature.

I raise these points not to be contentious. They're just some questions which come to mind when you start to reflect on the broad definition as it's been given to me and what it might have by way of deleterious effect. Certainly the principle that the owner of the property must be made aware of any change in his circumstances by way of a consent is clear.

If an easement is on a plan of subdivision, properly, it should be on, in most instances, at the time of registration of the subdivision itself, by deeding agreements and an understanding with the municipality; actually it's at the same time as registration of the plan. In that instance any future owner knows very well, with a legal search of the property, that the easement is there.

I gather, therefore, you are concerned about requirements for easements which come along in later years. Could the minister comment on my first remarks as to the definition? Is my definition correct and does it extend to private cable television companies? Does

it affect industrial subdivisions where different fluids might be moved in lines?

Hon. Mr. Rhodes: Mr. Chairman, regarding the question of cable television, certainly cable companies are required at the present time to get easements in order to provide their services. If the company is using underground facilities or using the conduit facilities and back-lotting, or if there is pre-wiring that is going in, then they certainly would require easements in order to put that particular service into their area.

They had to get easements and agreements as it is with municipalities if they are using municipal rights of way. So I would say yes—it would certainly apply to cable companies who are installing this type of service.

If it is an industrial subdivision, then the subdivision requirements would apply here as well. This would then eliminate the necessity of having to go through the committee of adjustment's consent procedure that we referred to earlier. It is not eliminating any of the controls and the powers of the municipality. On the contrary it is saying that the municipality then can enter into its agreements and arrangements, especially if they can predetermine the location that will resolve some of the problems.

But later on, if they agree to a particular utility going into the area, if the landowners have no objection they can settle their differences, if any, with the particular utility. It does not require going through the very tedious procedure, as it can be, of having to go through the committee of adjustment for each individual consent.

I wanted to make one other point regarding something the member for Ottawa Centre mentioned in his comments on the question of expropriation. If the utility company does have expropriation powers, then of course the consent is not really required and there is no protection for the property owner under section 29 of the Planning Act. They would be protected under the Expropriations Act, and have their rights protected there.

Mr. Renwick: I still need some help about this. The problem of utility corridors one way or another is a serious one—the location and route of a particular corridor. The fact that it is in a registered plan of subdivision doesn't seem to answer that question. Just because you are getting into a service corridor or easement within subdivisions does it make the problem of location any more palatable? It seems to me that the question of the routing and the location of a utility corri-

dor through a subdivision is a matter which can be dealt with in the public interest before the committee of adjustment or the land severance committee, not as a series of single applications for each lot but as a connected plan with all of the owners advised that the committee of adjustment is going to hear the application. While the committee of adjustment may have to deal with each lot in its order, they are not going to conduct an individual hearing for each and every lot within the subdivision.

I am sure if the member for Halton-Burlington (Mr. Reed) were here, he would find it difficult, as I and I think my colleague from Lincoln find it difficult, to agree to eliminate the committee of adjustment or the land severance committee for whatever purpose they may serve. They do allow public participation in the kind of decisions which are made respecting, as the member for Lincoln has pointed out, all forms of lines—there is an immensely broad definition of the term "utility line."

I am very reluctant to see us take away, for whatever it is worth, hearings before the committee of adjustment or the land severance committee. I speak more out of ignorance than I do out of knowledge in this field. But my colleagues, the member for Lakeshore and the member for Welland-Thorold (Mr. Swart), will comment about it.

[5:15]

Mr. Lawlor: Delphi has arrived. My only thought about it is that the reason for the legislation as it stands, both with respect to transmission lines and therefore with respect to utilities, is that it is conceivable a particular line being erected might have to get, let's say, 20 or 120 separate and distinct applications before diverse committees of adjustments or planning boards as it came through. That obviously is not feasible. You can't operate in that particular way. By the time they got all these planning board approvals through on part-lot control, I suppose we would all be dead. It's hard enough to get one through, much less all these.

But Mr. Renwick's argument gives me pause. I didn't want to speak earlier because in dealing with a particular riding and a particular abuse or a particular possibility of some overweening action by a utility company within certain geographical limits of a riding, the company not only has the power of escaping from the municipality's control, but there's no prior permission necessary by the municipality per se or by any instrumentality of it, such as the planning board. It's just

simply taken out of the picture and it doesn't have to make these applications, provided it files a certain certificate and that's the end of it.

Not only has it got that type of exemption but it has full powers of expropriation besides. It has a double weapon which can be very onerous indeed with respect to a defined community and with respect to a particular imposition made by a very powerful authority. There is no question about that, and these two things have to be balanced off one against the other. My balancing off is to accede, to say that on the whole, in most instances, the public good is served by giving in and a great disservice is done through any opposite way. I don't know just how you handle the kind of situation my colleague has in mind. If the legislation were neater, it would carve out definitions saying that over certain dimensions and geographical regions, permission would be required. In other circumstances, if it goes over longer areas and through numerous planning boards, it would not be required. But I don't think we can be that nice in legislation and perhaps it's regrettable, so I sit down.

Hon. Mr. Rhodes: Mr. Chairman, there are two points I would like to make. The first deals with concerns the member for Riverdale has raised and which were mentioned again by the member for Lakeshore and the member for Lincoln regarding a transmission corridor. Keep in mind, Mr. Chairman, that the utility company is still going to be required to have permission of the energy board or other agency, perhaps even the municipality, before the routing of any such line can take place, so the public awareness of what may happen will still certainly be there. All that we are talking about through this amendment is to eliminate the need for many hundreds of applications before a committee of adjustment.

Again, I point out that this is applying only to new subdivisions. Because it only applies to new subdivisions coming in, it is not a question of a cable company or any other utility company coming in to serve an already established subdivision. They would still be subject to the necessary consents. We are talking about brand new subdivisions. I think the protections you are looking for are still there, in that this is nothing more than a final sort of consent application. It does nothing at all to eliminate the necessity for approvals of the energy board and whatever agencies may be involved with a particular utility. Certainly, this includes the municipality itself in order for such a corridor as

was referred to, to be established in any community.

Mr. Renwick: I just want to continue to express my objection to the provision. I don't know of any compelling reason for putting it in. Whether I'm talking about a service corridor in the larger sense or about the utility company's rights in a particular subdivision to put its line through with something other than a public hearing, then it does seem essential to me that we preserve whatever protection the Planning Act does provide.

We simply do not allow utility companies in this day and age to get further exemptions from the planning process. I think they should be subject to it—I think there must be ways by which applications can be expedited. I think it's unfair to the property owner not to have the opportunity to listen to and to reply to the expressed intentions of the utility company with respect to its corridor.

I, of course, do not know what my colleagues will do but I will oppose that section of the bill.

Mr. Stong: Mr. Chairman, I too share the same concerns as my colleague from Riverdale with respect to powers being granted to the utility companies. Although the minister has given examples of municipalities—and each example that he cites deals with a municipality—the word “person” is used in this section. If the power is going to be restricted, then “person” should be defined and perhaps limited to municipalities, rather than be an all-encompassing term which would give power to utility companies as well. I think I would be very leery about voting for this section when utility companies are being given this power as well.

I wonder if the minister would consider defining “person” in the sense of limiting it to the municipalities acquiring land instead of the use of the word person?

Hon. Mr. Rhodes: Mr. Chairman, I'm finding it difficult to understand what the hon. member is referring to. There is no power being given to any utility company in this section at all. I don't know how you possibly can arrive at that.

It says, “In respect of which the person acquiring the land or any use or right thereof has made a declaration that it is being acquired for such purpose.” That's what the person is doing—making a declaration that it's being acquired for the purpose of a utility

or a transmission line. There's no power being given to any of the utility companies at all.

It simply is saying that, upon the fact that they have declared the purpose of it, the fact that they have met all other requirements, and have been approved by the Energy Board or any other agency or the municipality if it's involved, and it probably will be—once they receive all these approvals they just don't have to go to the committee of adjustment to get a consent on a whole row of lots, which might be—God knows how many lots would be involved. I fail to see why you're concerned about the power in the hands of any company or corporation on this at all.

Mr. Stong: Perhaps I should clarify my position. It's this necessity of a utility company, for example, to have to go through this procedure that concerns me. Perhaps the municipality shouldn't have to go through that machinery for the purposes of expediency, but when it comes down to a loss of enjoyment or interference with property rights there should be some system of checks and balances, such as the committee of adjustment.

With respect, why shouldn't companies such as utility companies or private companies that are dealing in cable TV be subjected to the machinery that's now available and why shouldn't they be answerable? Perhaps, as I said, for purposes of expediency municipalities could be excluded. But why shouldn't a utility company such as a cable TV company be required to get the consent of the committee of adjustment? Why not protect the use of property?

Hon. Mr. Rhodes: Mr. Chairman, I'm almost tempted to simply say "Withdraw the section" because I can't believe that there is such a misinterpretation of this.

Mr. Renwick: That's a good idea.

Hon. Mr. Rhodes: I am totally confused. With the greatest of respect, I don't think the hon. member has really taken the time to read this in the context of the Planning Act. There is nothing here that takes anything away from the enjoyment of the rights of the land. We are talking about a brand new subdivision. We can have the protection of the land from whom? It is the developer who will be making the application to subdivide the property. He still owns the property until it is sold.

All we are simply saying is that if he owns all of these lots in a registered plan of subdivision, and if a utility company is going to

come down the back lots of those properties, then the developer would be in a position to allow him to go through those back lots of that subdivision without having to go with the utility company to the committee of adjustment and get a severance over each lot one after another down the line.

If that's what you think they should have to do, then I obviously have made an error in coming here with an attempt to streamline the procedure, and hopefully stimulate or speed up the process of getting subdivisions on the market and developed to put houses on. If that's what I have done, I am afraid I have made an error here.

Mr. Renwick: No.

Hon. Mr. Rhodes: That is exactly what we are doing.

Mr. Hall: I am just seeking clarification from the minister. It seems to me that the centring out of most of the easements—whether they be storm-water swales on real lot lines that the municipality wishes to control with catch-basins, or whether they are, as you have mentioned, hydro or even gas—would be part and parcel of the details of the final plan of subdivision and in the subdivision agreement itself. This is a lengthy document containing the requirement that easements be granted for many purposes. This is normally what is done, is it not, Mr. Minister? All this is done prior to registration and it comes together at that time.

Is your point that in some instances after registration and after property has become individual lots, they found out something was needed that wasn't covered in the servicing programme? Unless I am wrong in what the normal procedure is, I would have to ask you just what has been done before this legislation was submitted. I don't recall that the committee of adjustment, after having severed the property and the land assembly having been made, gets involved in this subdivision process very much. Could you explain that or clarify it for me?

Hon. Mr. Rhodes: Yes, Mr. Chairman, in section 29(4) it says, "Where land is within a plan of subdivision registered before or after the coming into force of the section." We are talking about where we have an existing registered plan of subdivision upon which perhaps nothing has been built, but it is a registered plan that is now going to be developed. The intention is to put into that registered plan of subdivision the necessary utilities to serve it, using the back lots in particular, because that is the usual method, as I am sure you are aware.

We can say to the individual utility that all other things being equal, and having satisfied the property developer and the municipality or whatever other agencies may be involved as to what you are going to do, the one thing you don't have to do is go to the committee of adjustment with a whole parcel of severances and get consent on each of the lots. In fact, we have probably taken more time talking about this here now than it would have taken to get all those consents.

Mr. Hall: I doubt that. On a point of clarification!

Mr. Swart: Mr. Chairman, I would like to ask further clarification from the minister.

Mr. Chairman: Yes, but the hon. member for Lincoln was pursuing a point that he had made earlier.

Mr. Swart: Oh, sorry.

Mr. Hall: My assumption is still correct, is it not, that for the most part such easements are set out in the registered subdivision agreement document and that for the most part, they are not now having to go to committee of adjustment? This legislation is to catch any omission in all the documentation that went into the construction prior to registration of the plan of subdivision? This is merely to catch any omissions and make them more speedily accomplished, rather than go all the way through, because of the fact that the plan was registered and a bundle of lots have been created, so you want to get around the part-lot control problem? Is this the only basis for it?

[5:30]

Hon. Mr. Rhodes: Yes, I think that's correct. If another utility comes along—you mentioned cable television, for example. If it suddenly comes along and it is decided to put it into that area where all other utilities may be, it can go in without having to go through the consent procedure.

Mr. Hall: On the basis of that explanation, I have no objection to it.

Mr. Swart: I want to pursue the question further of the limitations on time, when it says before or after the registration. How long before—and, in fact, could it not apply? And if it cannot, then I would like the pertinent section to read: "to a subdivision which may have been developed some time previously." Could you clarify that point? Then I may have some other comments to make.

Hon. Mr. Rhodes: Mr. Chairman, what I was reading to the hon. member was section

29(iv) as it now exists in the Planning Act. It is now in the Act, those very words. I took it out of context, but I can certainly read it in its entirety, if you wish. Or perhaps you would rather read it at your own leisure under 29(iv). What I read when I referred to that is not part of the amendment. It's already in the Act.

Mr. Swart: What's already in the Act, may I ask?

Hon. Mr. Rhodes: I'll read it.

Where land is within a plan of subdivision registered before or after the coming into force of this section, no person shall convey a part of any lot or block of land by way of a deed or a transfer or grant, assign or exercise a power of appointment with respect to a part of any lot or block of the land, or mortgage or charge a part of any lot or block of the land, or enter into an agreement of sale and purchase of a part of any lot or block of land, or enter into an agreement that has the effective granting the use of or right in a part of any lot or block of land directly or by entitlement to renewal for a period of 21 years or more and then unless . . .

Now I'm sure you don't want me to read the rest of the section.

Mr. Swart: No, I don't; but can we just pursue this further? I still don't know, and perhaps I should, where the limitations are on the time before, that it can't apply to a subdivision which has already been partly developed and, therefore, would not give the people who now own those lots the right to disagree with the severance.

The utilities have powers to go across private property which other groups don't have. What will prevent this from being used in an area to put a utility line through, perhaps in a municipality, through properties using the rights which utilities have, and without going through the consent procedures which people have been able to use on their properties to prevent this sort of thing? Do I make my question clear?

Hon. Mr. Rhodes: I think so. Mr. Chairman, I think we're ploughing old ground again. I think we've gone over this a little earlier—at least, I thought we had. We're talking about new subdivisions—

Mr. Renwick: No, we're not. We're talking about every subdivision in the Province of Ontario.

Hon. Mr. Rhodes: That is registered. A registered plan of a subdivision—not necessarily developed, but a registered plan of subdivision.

Mr. Swart: Aren't they all registered? Practically all plans are registered—this year, last year, the year before, two or three years ago.

Hon. Mr. Rhodes: Yes. The registered plan of a subdivision that has not been developed into which utility lines are being placed is what we're referring to. I don't understand your concerns—the protection of what properties? Perhaps you can clarify that for me.

Mr. Swart: Land that has not been developed—where does that wording appear? Where is the wording, "for land that has not been developed," the registered plan of subdivision that has not been developed?

Hon. Mr. Rhodes: That does not appear in the amendment.

Mr. Swart: Where does it appear? Because this is my concern, that it doesn't apply to registered plans which have been developed or partly developed. This is my question.

Hon. Mr. Rhodes: Good question; I don't know.

Mr. Renwick: It affects every subdivision in the Province of Ontario.

Mr. Swart: I could go along with your interpretation, perhaps, if it was in there, but it isn't. This applies to all plans of subdivision even if they had been there for 20 years and are developed—and that's my objection.

Hon. Mr. Rhodes: What is your objection? To what? Let's assume then it does apply to all subdivisions. What is your objection?

Mr. Swart: If land has been sold off—perhaps the houses have been built—then this gives the right for the easement without ever having to get the consent of the committee of adjustment or the land division committee.

Should they not have to get it, it gives them some protection. It's a different situation if the land is all owned by one developer.

Hon. Mr. Rhodes: Even under the circumstances you're suggesting, property owners still have their individual rights to either allow or to disallow the easement across their property. As I hope I had said earlier and I am absolutely correct and you know it—if you owned a piece of property and the utility

company wanted to go through your property and did not have an easement to do so, they must negotiate an easement with you. This has nothing to do with the negotiation of easement. This says only that they are not required to go to a committee of adjustment get a land severance consent or the consent to have the easement go across the property.

Mr. Chairman: Section 2.

Mr. Renwick: There are at least two or three and many other alternatives involved in this section. First of all, we're not dealing with the supply of the utility service to the particular subdivision necessarily, although that may be the case. A new plan of subdivision is filed and I can say: "All right, before any of the lots are sold why can't we short-circuit it? Let the developer locate the property and not go before the committee of adjustment." That's no problem. If he's a single owner and has registered a plan or subdivision, he doesn't have any problem. He's the only person who's going to be making the application.

If, on the other hand, you've got an existing plan of subdivision in, say, one of the boroughs surrounding Toronto or in the city of Toronto in some place or other that's been in existence for some considerable period of time, you are saying that the utility company or companies can go right through that subdivision without having to get the consent of anyone before the committee of adjustment or the consent that's provided for in the Planning Act. It had nothing to do with providing the service within the subdivision. It's simply a corridor through the subdivision.

You're saying that we here, for whatever it's worth, are to take away the provision in item (d) of subsection 4 of section 29, requirement of consent, because they're utility companies. I simply say in this day and age you don't do that. I don't care whether the public utility is a private one or a public one. I just don't think that existing subdivisions should be subject to this kind of an operation where the utility company doesn't have to go before the committee of adjustment or the land severance committee or whatever the appropriate names are.

I understand the minister's case when he says it is a new subdivision and he wants to build houses. That isn't what this says. This says in every subdivision in the Province of Ontario the utility companies are going to be able without any consent to file the necessary declaration and be exempt from the provisions of the Planning Act. Sure they

have to deal with their powers of either negotiation or expropriation, so far as the individual owner is concerned, but as to all of the people in the subdivision having knowledge about what is taking place, you're saying no, we can't have it.

I think that's serious. For the minister to say: "Oh, I'm just talking about new subdivisions" is maybe what he thinks he's talking about but that's not what the bill says. My colleague, the member for Welland-Thorold (Mr. Swart) pointed that out to the minister.

Mr. Bullbrook: May I make a comment? I feel constrained to support the position of the minister, although I'm not entirely content with what his position is. As I understand the amendment, it's purely a matter of facility. It's not deprivation of a right.

Without excepting the position of the hon. member for Riverdale, as I understand the burden of his remarks, he is saying, in effect, why should a privately owned or publicly owned utility be treated differently than any other citizen? As I understand the minister's position, we want to treat him differently because of the fact that we want to convenience him in something that is obviously to the public good and not to the deprivation of the rights of any other person.

I just wanted to voice that I couldn't find myself disagreeing with the minister in the context of my experience with respect to developers. I've tried to wrack my brains to think of a situation where the lack of having to go before the committee of adjustment for this type of continuing severance for the public good deprives anybody of a right or might be used unduly for the benefit of the public utility. I thought I'd voice that for what it's worth.

Mr. Hall: Just to go back, before we had part-lot control—it hasn't always been in existence, has it?—we did have such problems. If there was a new subdivision, there was no problem if arrangements were made under the registered plan and the subdivider's agreement. But if a need arose later on, the company or public body, or a private cable television company that wished to run a line, did not need to appear before the committee of adjustment, because there was no part-lot control legislation. He did need, however, to negotiate with the owner as to putting that easement against the owner's title to the property. If what I'm saying is correct, the only reason that the minister is asking for this amendment now is because it's a downside feature of the part-lot control legisla-

tion that was put on the land and which formerly wasn't on the land. Is that a correct statement?

Hon. Mr. Rhodes: I think perhaps the clearest statement that has been made all afternoon was the one made by the member for Sarnia. He explained my position rather clearly and much easier than I would have.

Regarding the question of subdivisions that are already in existence if they are already partially or completely developed, the utility company then would be required to negotiate the purchase of each piece of land for their easement or right of way across the properties with each separate owner. If the land is just being developed, then they deal with only one developer to acquire the right of way. Or, if they couldn't purchase the property, they could possibly use expropriation powers, if they had those powers, quite apart from the Planning Act anyway. So the hon. member is correct when he says that this position would apply to all subdivisions in the province, but for the purposes we're looking at, it would only really apply to those new subdivisions that would be coming on stream. Although it does apply, the other avenue would have to be followed anyway by the particular company in acquiring easements across the individually owned properties.

Mr. Swart: I would like to say a few more words on this section of the bill. It seems to me that there is some matter of principle involved in this, and it really is the principle of planning.

I can foresee the possibility—perhaps not the likelihood, but the possibility—of a gas or power company wanting to run a line up the back of the lots where the people might be willing to provide them the easement at a certain price. If this should pass, the neighbours who may have bought on that property would have no say about whether that line, whether it be a gas line or an overhead line, should go up on the neighbour's property which might be relatively close to their property. If they must apply for part-lot severance approval, then it gives the opportunity for abutting property owners to have some say, to make some input on whether the utility line should go in this location. They may be able to do so through the council, but otherwise they as individuals would appear to have no say. Therefore, I think it does give some protection as exists now, at least to the neighbouring properties and to the owners themselves who face expropriation powers if they don't wish it to go through their property or through their neighbour's

property. In effect, I think it takes away from some of the individual's rights to his property.

[5:45]

Hon. Mr. Rhodes: Very briefly, you also by the very nature of your comments would be prepared then to have someone else take away their individual rights and the abutting property owner would have the right to take away the right of the individual to sell an easement through his property. Your principles bend extremely well to suit the circumstances.

Mr. Swart: The whole principle of planning seems to me to be that the community and the neighbours have their rights taken into consideration as well as the individual property owner. I think you take some of that away.

Mr. Renwick: You are riding rough-shod over the rights of private property in this amendment. I don't know why we should be defending the private property owner while the Conservative Party simply grants the utility companies, the big multi-national corporations, the right to ride rough-shod over the rights of the small people before the committees of adjustment. I think you would be wise to withdraw this, unless you can say that Bell is really uptight about this whole thing or Interprovincial or Hydro is really upset about this whole thing.

Mr. Bullbrook: He's really got down to the nub of it now. The key to me was the words "multi-national corporations." Those two words convey to me what the real essence of the dispute is here. I don't know which side to come down on.

Mr. Renwick: You are out of order because I had the floor. The minister hasn't said yet why at this point in the life of this short-lived, I hope, minority government he wants to bring in this particular amendment to the Planning Act. The only reason you give is that it will expedite new subdivisions and the provision of utility services within those subdivisions. This isn't what this says at all. It deals with every plan of subdivision and it doesn't matter whether the utility is going to service the particular subdivision or not service it.

What you are saying is let's eliminate the committee of adjustment. Let's eliminate the land severance from the necessity of the utility companies coming before it. I say let them come before it. Let them make their arguments. Let them decide where the location is going to be. Then after that's been

decided and, if the committee of adjustment agrees with it, fine, then go ahead and appropriate and buy it.

Mr. Bullbrook: I wonder if I might invite a response from the minister that would help me greatly in this respect? The only actual tittle of relevancy in the arguments of my colleagues, and I say this most respectfully, from the New Democratic Party is the comment from the hon. member for Welland-Thorold worrying about the deprivation of the right of the neighbour that would have existed had there been an application for consent and the normal advertising. That had some glimmering of relevance but not in the context of the consent being given, and I don't really think the hon. member meant that.

There are two situations here. The hon. member for Riverdale because of, I suggest, his own personal pre-disposition, as somewhat conveyed by the use of the words multi-national corporations and Mother Bell, if that was used, as I said previously, feels undispensed to treat these utilities differently to how an individual would be treated, notwithstanding the response I think the minister and myself made that it's a matter of pure facility. However, the hon. member for Welland-Thorold does bring up the point, that to me isn't germane to the question, of deprivation of a right to appear before the committee of adjustment with respect to his neighbour's property. The question, as I understand it, is almost a question of the evaluation of some maybe imminent or subsequent danger with respect to the laying of a public utility line. He uses, for example, a gas line.

Surely I am correct that there are collateral statutes that provide that these public utilities, not only would they have to get consent but they certainly would also have to get approval—is it from the Ministry of Energy or the Ontario Energy Board?—with respect to the laying of these lines. I would think, as far as the safety aspect is concerned, that that is disposed of under a different ministry and a different statute, and it then becomes a question of our evaluation whether there is truly a deprivation of what is an essential right with respect to his neighbour's property.

Hon. Mr. Rhodes: Mr. Chairman, the hon. member for Welland-Thorold and the hon. member for Sarnia are probably both correct. They are correct, not probably. If you do away with the necessity to appear before the committee of adjustment, the abutting

owners would not have that opportunity to voice their displeasure or their concerns. But, again, you are correct when you state that the laying of any such transmission lines, gas and hydro-electric, still requires the approval of the Energy Board. I think in most cases it would also require the permission of the municipality involved.

All we're trying to do is facilitate, as the hon. member for Sarnia said very clearly, and to speed up the whole process. Each application for a severance for one of these consents costs approximately \$100. You also delay the process perhaps by two months. All of this is an added cost factor to those particular lots that are eventually going to go on the market for sale. This is an opportunity, I believe, to help in a small way to reduce some of the time factors and to reduce some of the cost factors.

Mr. Chairman: All those in favour of section 2 of the bill carrying will please say "aye."

All those opposed will please say "nay."

In my opinion the "ayes" have it.

Shall we stack it? Agreed.

On section 3:

Mr. Chairman: All right, the hon. minister has an amendment to subsection 2 of section 3.

Hon. Mr. Rhodes moves that subsection 2 of section 35(c) of the Act as set out in section 3 of the bill be amended by inserting after the word "case" in the sixth line, "except as otherwise so authorized."

Hon. Mr. Rhodes further moves that subsection 3 of section 35c as set out in section 3 of the bill be struck out and the following inserted in lieu thereof:

(3) This section does not apply to prevent the continued use of the same location of any mobile home that (a) is erected or located and in use prior to the 1st day of June, 1977, or (b) is erected or located in accordance with the building permit issued prior to the first day of June 1977.

Do members of the committee have copies of those amendments? Any comments on, first of all, the amendment to subsection 2 of section 3? Shall it be agreed to then?

Motion agreed to.

Mr. Chairman: Any comment on hon. Mr. Rhodes' further amendment? Shall it be agreed to.

Motion agreed to.

Mr. Chairman: Any comments on any other section of the bill?

Sections 3 to 6 inclusive agreed to.

Mr. Chairman: Rather than calling in the members at this late hour is it agreed that the committee will rise and report?

Mr. Breithaupt: Mr. Chairman, it is my understanding that we will be voting with the government on this particular matter. Therefore if we could agree to a brief bell, it might be convenient to complete the taking of this vote in committee before 6 o'clock. If we can do that.

Mr. Chairman: The Chair has no control over how long the bells will ring, but if that's the wish of the committee, call in the members.

The House divided on the motion that section 2 stand as part of Bill 62, which was approved on the following vote:

Clerk of the House: Mr. Chairman, the "ayes" are 49, the "nays" are 23.

Mr. Chairman: I declare the motion carried. Section 2 stands as part of the bill.

Section 2 agreed to.

Mr. Chairman: Shall the bill be reported?

Bill 62, as amended, reported.

Hon. Mr. Welch moved that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill with two amendments and asks for leave to sit again.

Report agreed to.

THIRD READING

The following bill was given third reading upon motion:

Bill 62, An Act to amend the Planning Act.

Hon. Mr. Welch: Mr. Speaker, just before calling the first order, I assume that since we've had a delayed supper recess that perhaps we would have the agreement of the House that we would resume for the evening

session at 8:15, and in that connection I would like to call the first order.

Clerk of the House: First order, resuming the adjourned debate on the amendment to

the motion that this House approves in general the budgetary policy of the government.

The House recessed at 6:15 p.m.

APPENDIX

(See page 2583)

An answer to a question was tabled as follows:

3. Mr. Reid—Inquiry of the ministry. Would the Minister of Natural Resources advise how much revenue from the collection of hunting and fishing licence fees is unaccounted for, for the past five fiscal years?

Answer by the Minister of Natural Resources:

No revenue from the collection of hunting and fishing licence fees is unaccounted for during the past five years.

CONTENTS

Tuesday, May 25, 1976

Select committees, statement by Mr. Welch.....	2569
Aid to Third World, statement by Mr. W. Newman.....	2569
Tabling 1976 municipal directory, Mr. McKeough.....	2570
Tabling report, Ontario Economic Council, Mr. McKeough.....	2570
Municipal Act amendments, statement by Mr. McKeough.....	2570
Private laboratories, questions of Mr. F. S. Miller: Mr. Lewis.....	2570
Memorandum on releasing information, questions of Mr. Taylor: Mr. Lewis, Mr. S. Smith, Mr. MacDonald	2571
Huron Regional Centre, question of Mr. Taylor: Mr. Lewis.....	2572
Pickering airport, questions of Mr. Davis: Mr. Lewis, Mr. Reid.....	2573
Hamilton Match Plate Co., questions of Mr. F. S. Miller: Mr. S. Smith, Mr. Lewis.....	2573
Fuel costs for greenhouse operators, questions of Mr. W. Newman: Mr. S. Smith, Mr. Mancini, Mr. Gaunt	2575
CCH Canadian Ltd., questions of B. Stephenson: Mr. S. Smith, Mr. Bounsall	2576
Browndale operations, question of Mr. F. S. Miller: Mr. S. Smith	2576
Hospital bed shortage, questions of Mr. F. S. Miller: Ms. Gigantes, Mr. Roy.....	2576
Parkway belt west, questions of Mrs. Scrivener and Mr. McKeough: Mr. Reed, Mr. Lewis	2577
Hamilton psychiatric hospital, questions of B. Stephenson: Mr. Mackenzie, Mr. Deans ...	2578
Pornography charges, question of Mr. McMurtry: Mr. Roy.....	2578
Mercury pollution, questions of Mr. Kerr: Mr. Bain, Mr. Singer.....	2579
Closure of arenas, questions of B. Stephenson: Mr. Gaunt.....	2580
Report, Ontario Heritage Foundation, Mr. Welch.....	2580
Motion to appoint select committee on truck transportation, Mr. Welch, agreed to.....	2580
Motion to appoint select committee on corporation law, Mr. Welch, agreed to	2581
Motion to appoint select committee on highway safety, Mr. Welch, agreed to.....	2582
Municipal Amendment Act, Mr. McKeough, first reading.....	2582
Live Stock Community Sales Amendment Act, Mr. W. Newman, first reading	2582
Tabling answer to question 3 on order paper, Mr. Welch.....	2583
Highway Traffic Amendment Act, reported.....	2583
Public Transportation and Highway Improvement Amendment Act, Mr. Snow, second reading	2590
Public Transportation and Highway Improvement Amendment Act, reported.....	2590
Third readings	2592

Planning Amendment Act, Mr. Rhodes, second reading.....	2592
Housing Development Amendment Act, Mr. Rhodes, second reading.....	2595
Personal Property Security Amendment Act, Mr. Handleman, second reading.....	2597
Third reading	2597
Vital Statistics Amendment Act, Mr. Handleman, second reading.....	2597
Third reading	2597
Planning Amendment Act, reported.....	2598
Third reading	2608
Recess	2609
Appendix, answer to question 3 on order paper, Mr. Welch.....	2610

SPEAKERS IN THIS ISSUE

Angus, I. (Fort William NDP)
Auld, Hon. J. A. C.; Chairman, Management Board of Cabinet (Leeds PC)
Bain, R. (Timiskaming NDP)
Bounsall, E. J. (Windsor-Sandwich NDP)
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Bullbrook, J. E. (Sarnia L)
Cassidy, M. (Ottawa Centre NDP)
Cunningham, E. (Wentworth North L)
Davis, Hon. W. G.; Premier (Brampton PC)
Deans, I. (Wentworth NDP)
Gaunt, M. (Huron-Bruce L)
Gigantes, E. (Carleton East NDP)
Good, E. R. (Waterloo North L)
Grossman, L. (St. Andrew-St. Patrick PC)
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Mackenzie, R. (Hamilton East NDP)
Mancini, R. (Essex South L)
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Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Philip, E. (Etobicoke NDP)
Reed, J. (Halton-Burlington L)
Reid, T. P. (Rainy River L)
Renwick, J. A. (Riverdale NDP)
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Scrivener, Hon. M.; Minister of Government Services (St. David PC)
Singer, V. M. (Wilson Heights L)
Smith, S. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B.; Minister of Labour (York Mills PC)
Stokes, J. E. (Lake Nipigon NDP)
Stong, A. (York Centre L)
Swart, M. (Welland-Thorold NDP)
Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)
Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)
Wildman, B. (Algoma NDP)
Worton, H. (Wellington South L)

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